



THE DIGITAL FOREFRONT

HOW RETAILERS CAN DRIVE **INCREMENTAL SALES** IN A
PAUSED WORLD



WHY INCREMENTAL REVENUE?



Retailers have always relied on stores to drive most sales for their business - and rightfully so, with in-store contributing as much as 90% to the bottom line.

But what happens when retail takes a hit, and then another? Retailers have been on shaky ground since the retail apocalypse rolled around.

While many retailers are moving to a channel-agnostic world through omnichannel disruptors that change the way we buy, such as BOPIS, these changes cannot come quick enough as mass-merchants and disruptive retailers

such as Amazon stay five steps ahead on innovation. The retailers that have survived are starting to find their footing, until the next disruptor hit - the disruptor that is 2020. Between store closures, furloughs, and stay-at-home orders - retail has lost its strongest foot. While focusing on a digital-first mindset may have been of little priority of some retailers - it is now their only in their fight for survival. But with the mass layoffs - gaining new customers or sales isn't an easy feat.

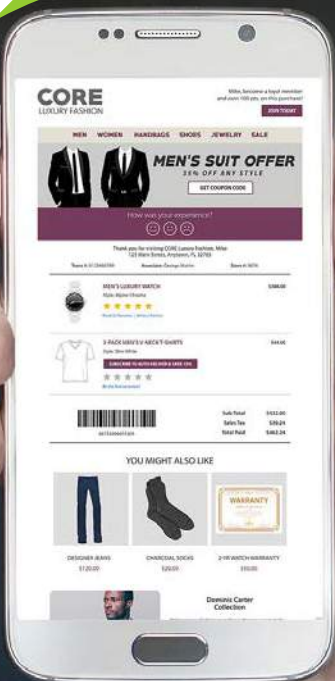
So how are retailers planning on fairing this storm? Let's look at some revenue-generating tactics that can help retailers to come out of this fighting:

POST-PURCHASE TRANSACTIONAL EMAILS

Many retailers have taken a step into the digital landscape by offering digital receipts at checkout. Most of these receipts tend to be offered as an attached pdf, or a static design that is not as responsive to the device the shopper is on. And while the nicely designed digital receipts may have seemed like a nice to have, the recent pivotal switch to the eComm world has many retailers banking on one area that has proven to drive more sales: recency.

**42X
REVENUE**

The more recent a consumer has purchased from you, the higher the likelihood that they will purchase from you again. And what better way than a customer who just purchased with you and is currently engaged with your brand? While this tactic has often been looked to as a nice to have, this channel is now generating up to \$6,623.30 per week in additional revenue for some retailers during the stay-at-home orders. This difference may seem minimal but considering that dynamic digital receipts can bring in up to 42 times more revenue than static digital receipts, this difference can add thousands to your bottom line.



THIRD-PARTY SELLING

Mass-merchants with beefed-up web presences and faster-than-fast delivery services are booming. While many consumers are turning to these mass merchants to maximize contactless delivery, particularly Amazon, who makes up for 38% of the eComm world's revenue, not all retailers are. Since the likelihood of getting foot traffic to your store is minimal for the coming months, retailers can still grab traffic to their digital storefronts by selling on Amazon.

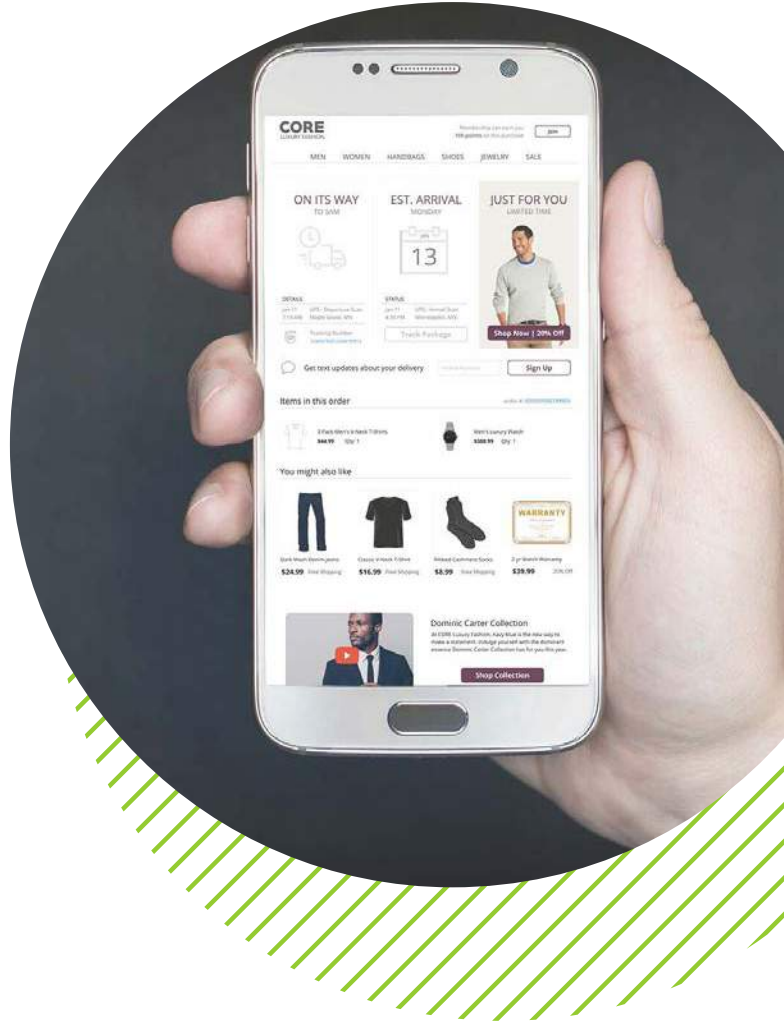


Statistica reports that 53% of items purchased on Amazon are from third-party sellers.

Aware of consumers' love of Amazon, some retailers have already grabbed their storefront in one of the newest digital malls (Amazon). Retailers such as Zappos, Under Armour and Chico's, are fully present on this platform - looking to drive the sales and revenue needed to sustain this blast to the economy and the consumer hesitation to re-enter physical stores.

ORDER TRACKING PAGE

Order tracking pages are often stagnant, unengaging and unbranded. While the visibility of this touchpoint before 2020 may have been underwhelming for your brand, consumers are now only able to order online with non-essential retailers. This touchpoint now has more potential than ever to drive traffic and increase visibility. Similar to the post-purchase transactional emails above - a branded, dynamic touchpoint can do a lot for your business - including adding incremental revenue.



Beyond Revenue

85 percent of consumers will buy from a retailer again if they can track their purchases throughout the delivery process.

-DropOff

The boost to revenue isn't the only potential benefit for retailers. While stacking on dollars, this solution can trim some wasted spend from your budget by decreasing "Where is My Order?" calls thanks to up-to-the-moment tracking and SMS messaging.



IN-BOX ADVERTISING

Selling online has always had its drawbacks, such as increased costs for offering free shipping and free returns - two benefits that many retailers must offer to stay competitive. Some retailers are using in-box advertising to drive incremental revenue. Retailers typically charge 10 cents or more per insert, often placing multiple inserts into one box. Zulily and Saks Fifth Avenue both utilize insert printed advertisements into their boxes to generate additional revenue. And the possibilities don't end there. For instance, Amazon placed advertising on 10 million of its boxes two years ago.

THINK OUTSIDE THE BOX FOR THE BOX

- ✓ **IN-BOX SAMPLES**
- ✓ **PROMO CARDS**
- ✓ **ADVERTISING**
- ✓ **INTERACTIVE CONTENT**


Beyond in-box advertising, retailers can look for other valuable opportunities to add potential revenue to their business from within the box, or outside the box.






ONLINE SHOPPING CHAT

There are three sets of visitors to both your physical and online stores: Self-converters, non-converters (or those just there to browse), and the underserved. The underserved are made up of a group of shoppers who are interested in potentially buying something from your store. Despite this interest, the purchase is delayed because they may have a few questions before they commit to purchasing something. This is often where your expert-store associates can come into play, by answering any questions they have or providing the help they need to get that sale across the finish line.



Already have online chat support? This step becomes easier. Simply make this program more visible for your audience as they hover on the product page, or check out for an extended amount of time.

Highlighting a valuable area missing in the eComm space - the methods to contact a product expert are not as seamless in the digital world. Shoppers often need to call in or navigate to a separate area of the website to get the help they need to convert. Supplement this experience for the online world by offering online chat assistance to those who have questions, focusing on assisting them with selections or information they may need to confidently add to cart. This little step can generate additional revenue for your business by harnessing onto a group that is highly likely to buy but just needs some reassurance that they are buying the best product for them.





REVENUE FROM SUBSCRIPTIONS

Retailers have been slowly entering the subscription space after seeing the results that various subscription boxes have generated. While retailers may be hesitant to enter this space, the lack of in-store browsing experience while consumers are stuck at home has created the perfect condition for subscription retail, or try before you buy as Warby Parker has done. Generating over \$2.6 billion in revenue, retailers would be smart to give this channel a shot.



INCREASED BENEFITS OF SUBSCRIPTIONS

- ✓ **REVENUE**
- ✓ **CUSTOMER LOYALTY**
- ✓ **REVENUE PREDICTABILITY**
- ✓ **PROFITABILITY**

According to Retail Touchpoints, 67% of retailers report seeing higher revenue after launching subscription services. The additional revenue isn't the only benefit though, with many retailers citing greater profitability and greater revenue predictability as key benefits of launching a subscription program.



LOOK FOR PARTNERSHIPS BUILD NOW & LAUNCH LATER

While retailers have often viewed the eComm world as a form of cannibalization for their industry, there are opportunities to create a synergy between both worlds. Similar to in-box advertising, retailers can look to find partners in their space who can capitalize on retailers' strongest point: **brick & mortar**. This is eComm's weakest point, since entering into brick & mortar is not necessarily easy to survive in, or launch. By creating partnerships with brands, retailers can stay at the forefront of the trends and grab on to the next generation of buyers while raking in extra dough.

One example of a partnership would be for a sportswear store to partner with a fitness equipment brand to feature treadmills inside their stores so shoppers can test new shoes on while sampling a high-level gym. Talk about creating an experience for brick & mortar that eComm can't recreate.

SOME PARTNERSHIPS IN RETAIL

- ✓ CRATE & BARREL | DOLLY
- ✓ HOME DEPOT | PINTEREST
- ✓ WALMART | BUZZFEED
- ✓ VALENTINO | ALIBABA





GRABBING INCREMENTAL REVENUE



As retailers look towards the future, two things remain clear: the current tactics are not enough to keep retailers afloat anymore and diversification of their business is needed so they can withstand the blows that might be thrown in their direction.

While holding onto tactics that drive incremental revenue will not be a core revenue driver for many businesses, the benefits of these tactics often go past the benefit of driving revenue alone. Retailers can expect to build a tighter community, grow consumer loyalty, and raising their brand exposure to new audiences in a time where their typical means of exposure (e.g. malls) are declining in popularity. While all techniques may not be appropriate for every business, retailers should scout these opportunities to find the ones that fit them and evaluate new ones as they emerge.







DRIVE INCREMENTAL REVENUE & MORE





YOUR **POST-PURCHASE** MARKETING ARM

flexEngage delivers custom-made transactional communications that **reduces churn** for brand-driven retailers.

WITH FLEXENGAGE
NO MORE

-  **COOKIE CUTTER DESIGNS**
-  **MISSED OPPORTUNITIES**
-  **SALES LEFT ON THE TABLE**
-  **BLAND DESIGNS**

WITH FLEXENGAGE
START

-  **PERSONALIZING DESIGNS**
-  **ENGAGING CUSTOMERS**
-  **INCREASING REVENUE**
-  **USING BRANDED DESIGNS**

YOUR **POST-PURCHASE** MARKETING PRODUCTS



DIGITAL RECEIPTS THAT **ENGAGE**



PRINTED OFFERS THAT **RETAIN** CUSTOMERS



ECOMM NOTIFICATIONS THAT **ENGAGE**



ORDER TRACKING THAT **DELIGHTS**



PACKING SLIPS THAT **MOTIVATE**

TALK WITH US

407-502-2871

hello@flexengage.com

www.flexengage.com

We're Here to Help