

SEPTEMBER 2015

RETAIL ADVERTISING REPORT CARD

MAKING THE GRADE IN AN OMNICHANNEL WORLD

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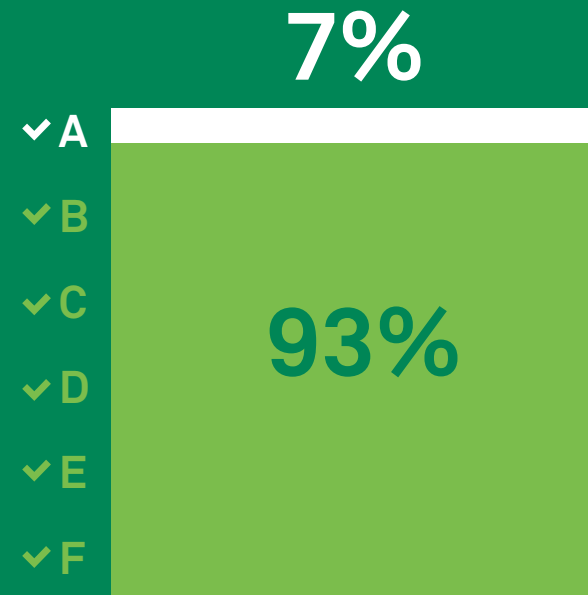


IS YOUR DIGITAL MARKETING MAKING THE GRADE?

These days, everyone is an omnichannel consumer. We shop in stores, online, and on our phones, gathering information across multiple channels before making a purchase.

But even as marketers respond by pouring money into digital channels, they continue to earn poor grades from potential customers.

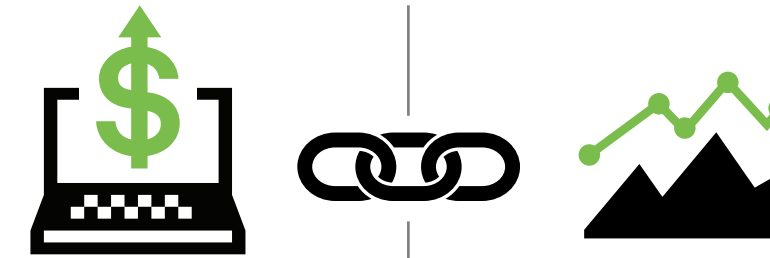
To score high with omnichannel consumers, marketers must find a way to stay connected to and speak consistently to them as they journey across channels.



ONLY 7% OF CONSUMERS GIVE RETAILERS AN “A” WHEN IT COMES TO DELIVERING DIGITAL MARKETING RELEVANCE.

WHY ARE THEY FAILING, AND HOW CAN THEY RAISE THEIR GRADE?

SPEED YOUR PROGRESS TO THE HEAD OF THE CLASS: TIE ONLINE BEHAVIOR TO OFFLINE RESULTS



MARKETERS ARE SPENDING A LOT ON DIGITAL

Digital spend **is up 15%**

Retailers **spend 2X on digital media** compared to other industries

Retailer spend **comprises 23% of total mobile advertising** spend

BUT...

ACCURATELY MEASURING RESULTS REMAINS A CHALLENGE

60% of retailers can't accurately measure activity across even 2 channels

\$2.2T is the opportunity cost of not having omnichannel strategies in place¹

¹ Source, Deloitte Consulting <http://www2.deloitte.com/us/en/pages/consumer-business/articles/navigating-the-new-digital-divide-retail.html?id=us:2el:3pr:diginf15:awa:retail:051515>

HOW TO ACE MARKETING:

DO YOUR HOMEWORK

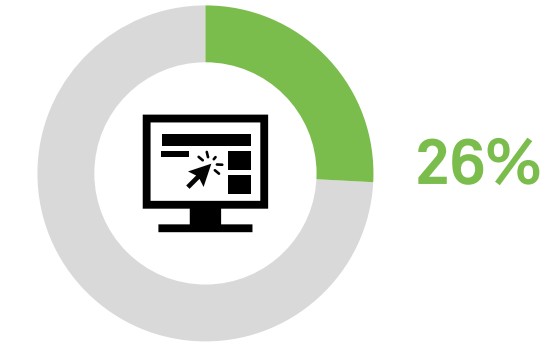
- ✓ Understand the omnichannel customer journey
- ✓ Link digital behavior to offline activity
- ✓ Execute with accuracy and speed
- ✓ Use mobile to stay connected to consumers
- ✓ Be nimble in your execution

MASTER THE NEW FUNDAMENTALS: TODAY'S CONSUMER JOURNEY IS OMNICHANNEL



PEOPLE SHOP ONLINE

47% of adult media consumption happens online



AND THEY READ ADS

Consumers read advertising at least 26% of the time when it's present



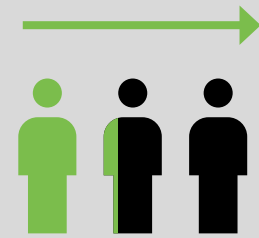
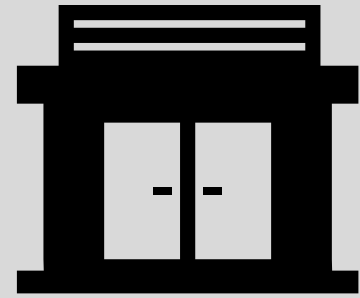
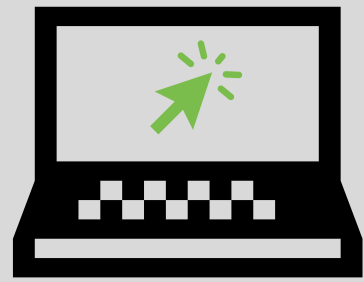
BUT THEY STILL BUY IN STORE

90% of purchases happen in store

MARKETERS NEED TO WAKE UP TO A NEW REALITY:

Siloed campaign strategies don't lead to omnichannel success. They might be independently successful, but they're out of touch with today's reality. Because consumers increasingly interact with you on multiple channels, it's time to de-silo your data so you can measure results across channels and understand what really makes consumers give you an A+.

EARN YOUR HONORS: ACCURATELY LINK DIGITAL BEHAVIOR TO OFFLINE ACTIVITY



1 IN 4 CONSUMERS

report going into a retailer's store as a result of clicking on an ad online

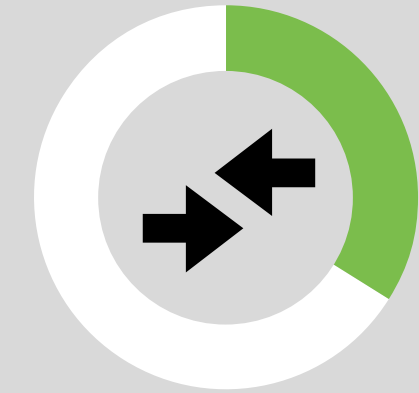
OVER 1/3 OF SHOPPERS

said they regularly search for a coupon or research products/alternatives online while they are physically in a store



55%

55% of customers are open to sharing their location with a retailer when discounts are offered



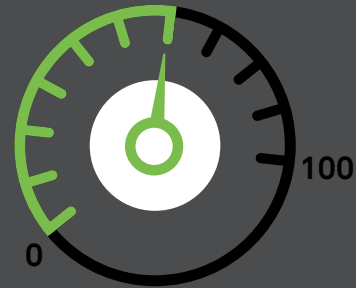
34%

34% say the same goes for inventory transparency. Customers will give you information if you offer the information they want in return

Closing the loop between your online marketing and consumers' offline behavior is the key to delivering relevant messaging and measuring the true ROI of digital marketing. That puts you ahead of the class.

PASS THE MARKETING SPEED TEST

Consumers average **5.8 touch points** during a purchase journey, but once they decide they like something they make purchases very quickly.



60% of consumers will buy a low consideration purchase on the **same day** they have decided on the right product



93% of consumers will make that same purchase **within a week**

Omnichannel marketing helps keep your brand top-of-mind throughout the customer journey. You'll deliver more relevant messages at every touchpoint, and up your chance to **be there at decision time.**

REQUIRED READING: MOBILE MATTERS

2/3 of smartphone users in the US check their phones within **15 minutes** of waking up or going to bed. **This makes mobile critical in every step** of the buying journey.



37%

RESEARCH

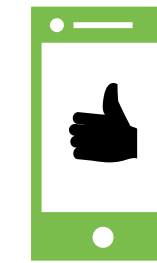
37% of shoppers rank their smartphone #1 in importance for researching products and retailers



46%

CONSIDERATION

46% of shoppers say social media is influential in prompting product or retailer research



24%

VALIDATION

24% of shoppers name mobile as the last place they look before making a final decision to purchase

Consumers' increasing dependence on mobile underscores the importance of **optimizing marketing** across all channels. Understand how mobile campaigns affect consumer behavior online and offline, and use that insight to get in front of your consumers with more frequency and with more impactful messages.

FINAL NOTES: THERE'S ROOM FOR IMPROVEMENT, BUT THERE'S GOOD NEWS TOO.



54%

54% of consumers rate personalized offers (based on behavior and purchase history) as being very influential in prompting shopping behavior



1 in 3 consumers click on ads when they are present



1 in 5 expect to click on more ads in the future

Consumers are willing and ready to engage with digital marketing. Deliver relevant messages to the right people at the right time, and you'll gain enthusiastic customers for life.

NO CHANNEL LEFT BEHIND: SCORE HIGH WITH CUSTOMER-RELEVANT MARKETING

The influence of digital marketing is growing. To raise their marketing grade, retailers must understand how to reach the right people with accuracy, speed, and relevance. Know:

- ✓ How to measure your digital media's impact on in-store sales
- ✓ How to understand which digital marketing channels most effectively influence sales
- ✓ How to get the right message in front of the right customer when it matters the most



START HAVING CONVERSATIONS WITH REAL PEOPLE. IT'S WHAT TODAY'S MARKETING IS ALL ABOUT.

Visit www.neustar.biz/marketing-solutions to learn more.

ABOUT THE RESEARCH

For this report, Neustar partnered with the e-tailing group to survey 1,020 online shoppers (50% female, 50% male) in April 2015. All participants owned smartphones, spent at least \$250 online last year, made online purchases at least 4 times a year, and completed a 25-question online survey. The e-tailing group is a niche e-commerce consultancy that helps merchants deliver the right customer experience across all channels while assisting technology companies to create and execute go-to-market strategies that educate the retail community and deliver cost-effective thought leadership and lead generation. For additional information please visit www.e-tailing.com.

ABOUT NEUSTAR

Neustar, Inc. (NYSE:NSR) is the first real-time provider of cloud-based information services and data analytics, enabling marketing and IT security professionals to promote and protect their businesses. With a commitment to privacy and neutrality, Neustar operates complex data registries and uses its expertise to deliver actionable, data-driven insights that help clients make high-value business decisions in real time, one customer interaction at a time. More information is available at www.neustar.biz.

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