

# How Retail Marketers Can Jingle All The Way This Holiday Season

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To win customers this holiday season—and beyond—marketers must create an emotional connection through storytelling. By listening to what customers want, where they want to be reached and how they want to interact, marketers can tap into insights that will make holiday campaigns sparkle all season long.

Leap into this eBook to learn from last year's trends and capitalize on up-and-coming holiday marketing strategies that can help create lasting customer connections.

# HOLIDAY MARKETING TRENDS



Every year, marketers look to the previous year's trends to learn from both successes and failures. While the focus of many was reaching customers via mobile devices last year, data shows they must do more than merely sending messages to smartphones and tablets to get customers to engage. To show a brand cares, it must learn how customers are using each device and communicate with them based on their past behavior.

To prepare for the holiday season, let's take a look at four trends from 2013 and the implications they have for 2014:

## 1 SMARTPHONES ARE FOR BROWSING, TABLETS ARE FOR BUYING.

In 2013, shoppers preferred to research on their smartphones while tablets were used to make a purchase.

This year, marketers need to consider customer behavior on smartphones and tablets. Ensuring the browsing experience on smartphones and the purchasing interfaces on tablets are top-notch may result in a lift in holiday sales.

## 2 COUPON-CENTRIC DAYS BRING IN BIG MOBILE SALES.

Cyber Monday 2013 was the heaviest online spending day in history, bringing in \$1.7 billion in online sales—one-third of online traffic came from mobile devices.

This year, marketers can capitalize on the trend by creating a Black Friday or Cyber Monday app and sending coupons via SMS and push notifications.

## 3 EMAIL MARKETING RAISES AWARENESS ABOUT DEALS.

During the pre-Thanksgiving period and on Cyber Monday, more customers found out about special deals via email in 2013 compared to 2012. Email drove 16 percent of e-commerce sales in 2013, compared to 13 percent in 2012. This year, marketers should continue to send email communications about sales and offers. Even though the channel is considered free, it's better to think about email as an earned media channel. It's important for brands to spend time on planning and executing holiday email communications to reach and engage customers with time-sensitive and value-added messages.

## 4 SOCIAL MEDIA IS A TWO-WAY CONVERSATION.

During the 2013 holiday season, there was a 42 percent increase in social traffic from 2012, with Facebook traffic increasing 39 percent and YouTube's 66 percent.

This year, marketers should give customers a place to engage by providing them with entertaining, snack-size pieces of content.

# ON COMET! ON CUPID!:

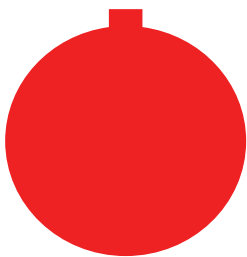
## Shipping and delivery excellence

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Here are some important areas to focus on for the 2014 holiday season:

Retailers and delivery services took a huge hit to their customer loyalty and reputation last year when severe weather and an unexpectedly high volume of packages resulted in UPS and FedEx making holiday gift deliveries on December 26. But even the weatherman can't predict when a winter storm is going to take a toll on the shopping season, so retailers should be transparent and offer customers constant communication about where packages are.

When customers make a purchase, they're only going to be happy and return for a second transaction if they receive their products in time for the holidays. 34 percent of customers said timely delivery impacts their satisfaction. Beyond delivering products on time, brands need to be transparent about when customers can expect their products—before and after a purchase is made.



*Half of customers will abandon the cart when delivery time is long or when it isn't provided, according to a survey by United Parcel Service and ComScore.*

Victoria's Secret has tackled this issue head on by displaying a shipping countdown on its website to tell customers when they'll receive their product during the holidays.

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Many brands send an order and shipping confirmation email, but few close the loop by notifying customers about when their package has been delivered. Retailers should also provide customers with the opportunity to opt-in to transactional SMS and push notifications about the status of their holiday package. “Ultimately, more messaging options will reduce the number of customer service calls and can boost customer loyalty,” says Ryan Hofmann, Director of Retail Industry Solutions at Oracle Marketing Cloud.

To distinguish themselves from other retailers, brands are listening to what’s important to customers and are offering loyalty programs for shipping. These programs, such as Amazon’s Prime membership and eBay 365 in Latin America, provide customers with free shipping after they pay a monthly or annual membership fee.

The popularity of shipping programs is growing rapidly with an increase of 50% in membership from 2012 to 2013 YOY. Better yet, 67 percent of customers in shipping clubs shop more from the retailers with which they have memberships.

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“Cross-channel messages may seem like over communicating, but it’s all opt-in. Give customers who want it the choice to receive as much communication as possible during the critical time between submitting their order and receiving the item on their doorstep.”

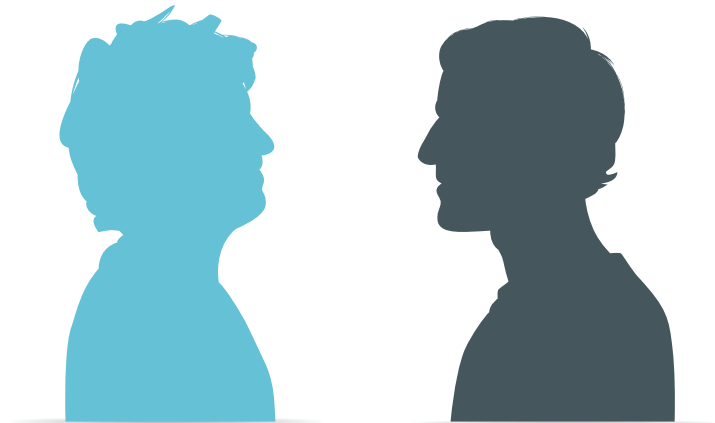
— RYAN HOFMANN,  
Director, Retail Industry Solutions,  
Oracle Marketing Cloud

# 'TWAS THE NIGHT BEFORE CHRISTMAS: Brands as storytellers

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Most people prefer to have two-way conversations, yet a shockingly high number of brands fall prey to talking about their products and forgetting to listen to their customers. It's important to build a two-way connection with customers year-round in order to win their business during the holiday season.

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Customer loyalty isn't always won during the holidays. Year-round engagement, which starts with delivering interesting content through storytelling, is the key to customer loyalty during the holiday rush. "Just like stories, brands can be inspiring, clear and actionable, or self-important, bland and confusing," writes Jonah Sachs, co-founder and CEO of branding agency Free Range Studios. "The inspiring ones light up social networks, passing virally from storyteller to storyteller. The others instantly disappear."

Brands connect with customers by showing they care. Forming a marketing strategy around how customers behave and interact with a brand is integral to its success. Through storytelling, marketers must don the customer's hat in order to consider how to position their products and services in accordance with the customer's wants and needs. "For example, customers who shop at luxury retailers are going to make comfort a priority whereas those at discount retailers may be experiencing stress to get a unique gift at a low price point," notes Wacarra Yeomans, Senior Director of Creative Services at Oracle Marketing Cloud.

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Ultimately, it is the marketer's job to paint a picture the customer can visualize, an image of the product they're selling and how it aligns with what the customer cares about. For example, Fab.com centered a holiday campaign around resolutions, encouraging customers to better themselves by cooking, reorganizing or just relaxing. Mrs. Meyers, a provider of cleaning supplies, has tapped into the idea of family and tradition, conveying that a clean home is a happy home.

Creating an emotional connection draws in loyal customers, and, as a result, delivers higher margins in the long term. (Consider: The emotional connection between a brand and its customer will build increase the lifetime value of that customer—meaning higher ROI and a higher margin on current products.)

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“ Much of the mobile holiday retail battle is won well before the holidays. In many cases, the most successful marketers will have already built connections on social media earlier in the year, alongside positive, somewhat frequent interaction with customers on mobile. ”

— JOSEPH PIGATO,  
Managing Director of mobile-first customer  
engagement platform Sparked, via MarketingProfs

# HARK THE HERALDS:

## Listen to your customers

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To reach customers on every step of their path to purchase and to encourage additional purchases, marketers must listen to their behaviors to know when they are ready to buy and the kinds of products they are interested in.

Listening to purchase intent is especially important during the holidays because the time between when customers express interest in a product and when they make a purchase is much shorter, says Hofmann. During the rest of the year, customers may take days or weeks to consider a purchase, but during the holidays, that time period is condensed to minutes and hours.

Here are four ways that marketers can tap into customers' retail purchase intent:

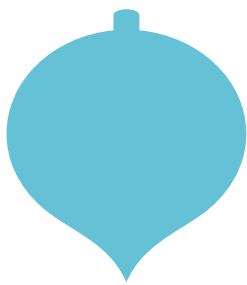
### 1 NEAR-REAL-TIME ABANDONED CART.

Most retailers process customer data overnight, so the system recognizes that a customer abandoned his cart the next day. During the holidays, when the purchase period is condensed, that slow process can cost a retailer. "By processing the data in almost real time, brands can increase their lift by 50 to 60 percent," says Hofmann. Processing data quickly is just the start, though, the next big trend in addressing the abandoned cart will be orchestrated push notifications working in conjunction with emails to maximize conversion.

### 2 ONLINE BROWSER.

According to Hofmann, less than 20 percent of online retailers have an online browse program, but those who do see a 5 percent lift in total email revenue since they are helping to move shoppers along the path to purchase with these messages. To take personalization to the next level, emails are crafted around the product page and the category navigation pages that a customer has visited, the email links that a customer has clicked and other pages that were browsed, like financing or customer service.

For example, Value City Furniture sends an email to high value prospective customers who have browsed their website and viewed financing options. This email encourages shoppers to apply for the right financing choice for their purchase and checkout.





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3 **IN-STORE BROWSE.**

Outfitting store associates with tablets and smartphones and placing kiosks and terminals throughout the store is an extremely effective way to gather customer contact information and valuable data about their interests. If customers leave without making a purchase, a follow-up email can be sent reminding them of the products they were interested in. If a customer makes a purchase, the retailer can close the loop with information via email.

4 **REPEAT PURCHASE PROGRAM.**

Marketers can use both online and in-store transaction data to personalize post-purchase messages by thanking the customer for completing a purchase. In the thank you message, brands can let customers know about accessories and add-ons that would go well with the recent purchase. These communications are designed to get customers to make their next purchase as quickly as possible. Also, certain products lend themselves to frequent replenishment programs. For example, Callaway Golf sends customers a message asking if they need more golf balls when they suspect they have run out.

Marketers must listen for customer's specific behaviors to deliver customized, relevant messages to customers based on their in-store and online interactions.

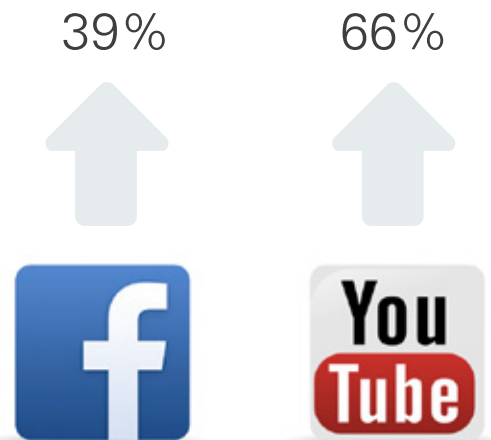


*Cash registers ring, are you listening?*

# DECK THE HALLS: Get visual

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As marketers engage in two-way dialogues by listening to customers and responding with personalized messages, they're recognizing the positive impact engaging communications have on their brand reputation and on customer loyalty. Last holiday season, brands saw a 42 percent increase in social traffic due to two-way communications.



*In 2013, social traffic increased on these channels:  
Facebook: 39 percent increase. YouTube: 66 percent increase, according to Experian.*

A majority of viral social conversations tap into visuals, with YouTube traffic increasing 66 percent last holiday season. YouTube, Instagram, Pinterest and even Facebook and Twitter show the promise of incorporating visual components into every campaign. One of the most notable 2013 holiday campaigns was WestJet's Christmas Miracle video which highlighted clips of the airline giving customers a gift from Santa. Within 16 hours of being released, the video received more than 200,000 views.

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“Photos on mobile are the new  
'holiday window shopping'.”

— JOSEPH PIGATO,  
Managing Director of mobile-first customer  
engagement platform Sparked, via MarketingProfs

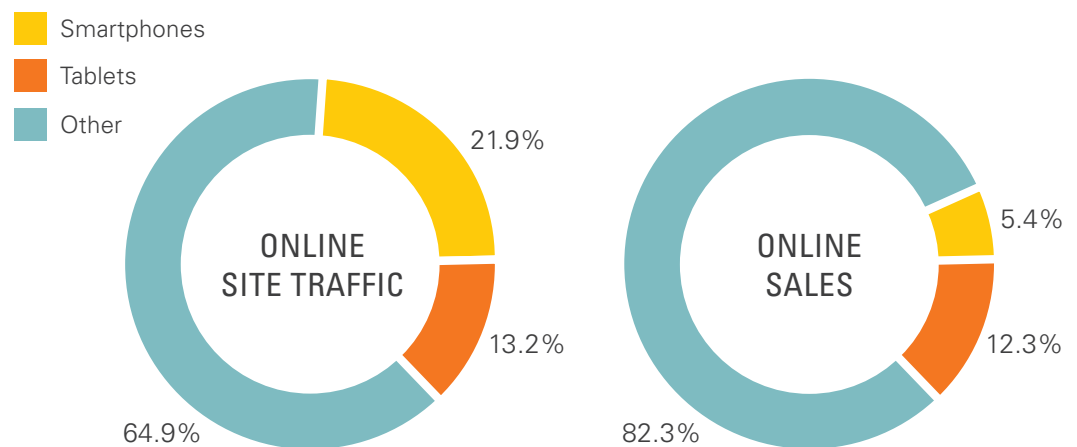
# CARROTS AND COOKIES:

## Make it snack-worthy on mobile devices

In an always connected, always on world, marketers are tapping into the promise of mobile by sending customers discounts and store information on their smartphones. More than half of brands say that mobile marketing is one of their top priorities in 2014. And for good reason: the 2014 holiday season is predicted to account for more than 25 percent of total e-commerce revenue.

To stay relevant, marketers should optimize messages based on how customers interact with their brand via mobile devices. Here are the top five e-commerce activities of customers on their smartphones:

- 1 READ RETAILER EMAILS.**  
More than 50 percent of retail emails are opened on a mobile device, so emails need to be responsive for mobile users.
- 2 RECEIVE TEXTS WITH SPECIAL OFFERS.**  
42 percent of customers prefer receiving coupons via SMS, according to a survey by RadiumOne.
- 3 LOCATE STORE INFORMATION.**  
More than one in five customers uses their phones to find stores or check inventory.
- 4 RESEARCH PRODUCTS.**  
One in four mobile users researches a product or service on a weekly basis before visiting a store. The mobile research continues once customers step foot in the store, with 22 percent of mobile users researching products when there.
- 5 REDEEM COUPONS.**  
More than 70 percent of digital coupon users will redeem a coupon on a mobile device in 2014.



# MAKING A LIST, CHECKING IT TWICE:

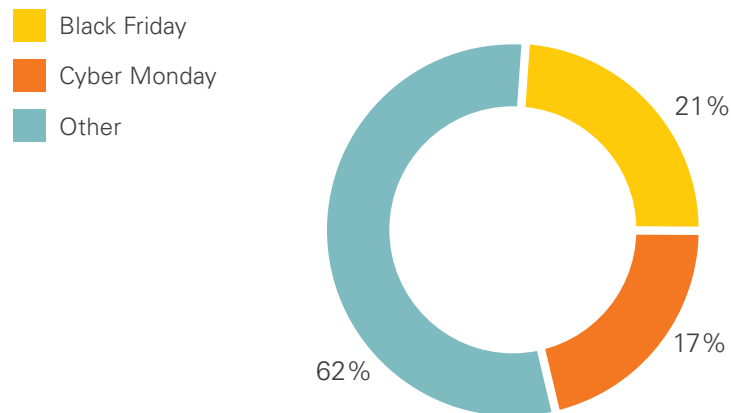
## Prioritize push notifications and apps

Customers are using mobile devices to access deals on Thanksgiving Day, Black Friday and Cyber Monday, so marketers are responding by sending more mobile notifications. Last year, retailers sent 37 percent more push notifications on Thanksgiving Day and Black Friday, compared to the daily averages of the months before. On Cyber Monday, retailers sent 77 percent more push notifications.

Push notifications depend on customers installing the retailers' apps, and data shows that customers are increasingly downloading retailer-specific apps. Forty percent of customers downloaded them in 2013, and 45 percent have been projected to download them in 2014. With an increased number of apps, customers are also spending more time in the apps instead of on mobile web. Time spent on apps has increased from 80 percent in 2013 to 86 percent in 2014. Conversely, time spent on the mobile web has decreased from 20 percent to 14 percent.

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### PERCENTAGE OF OVERALL SALES VIA MOBILE DEVICES, 2013



# SANTA'S HELPERS:

## Think of tablets as the new desktops

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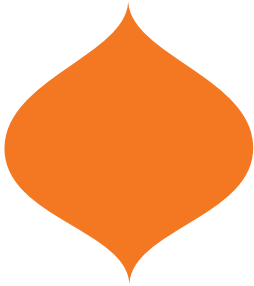
Now that we know customers use smartphones mainly to access discounts and research store and product information, what do they use their tablets for?

Here are the top five e-commerce activities of customers on their tablets:

- 1 RESEARCH PRODUCTS
- 2 READ RETAILER EMAILS
- 3 COMPARE PRICES WHILE SHOPPING ONLINE
- 4 READ PRODUCT REVIEWS
- 5 IDENTIFY WHERE PRODUCTS ARE SOLD

These activities are similar to what customers would use a desktop or laptop for. Marketers should make sure their websites and apps are optimized for these tablet-heavy activities, while understanding that customers are going to have a shorter attention span than they would on a desktop.

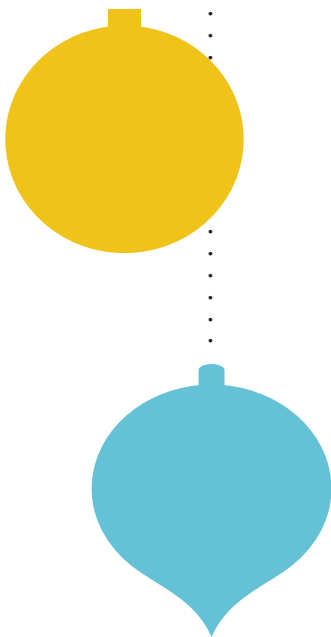
Last year, tablets were more successful at driving sales even though mobile phones drove more site traffic. That trend aligns with an overall tendency of customers to use smartphones mainly for research and tablets more for completing a purchase. 63 percent of tablet users made a purchase in 2013 compared to only 39 percent of smartphone users.



# SLEIGH BELLS RING: Bring mobile shoppers to stores

One of the top ways that customers use both smartphones and tablets is for researching products, yet 94 percent of retail transactions occur in brick-and-mortar stores. Customers still want to visit stores to receive the product right when they purchase it or to see the product firsthand before buying it. 51 percent of customers would consider paying 1 to 5 percent more to purchase a product in a brick-and-mortar store rather than online. Since much of the research happens on mobile phones, marketers need to feature information about store location, store hours and where to find a product in the store on mobile devices.

This trend of “webrooming,” where customers research a product before making a purchase, highlights the importance of tying together the digital and in-store experiences. Marketers should consider outfitting store associates with the technology and skills to connect emotionally with customers and drive future purchases using e-receipts and in-store kiosks.



# COUNTDOWN TO THE HOLIDAYS

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Even though the holidays may feel far off, marketers need to jump into holiday planning now. Most marketers are already knee-deep in pre-holiday messaging, talking about Christmas in July and Cyber Monday in August.

Here are some important days and innovative tactics for the holiday push:

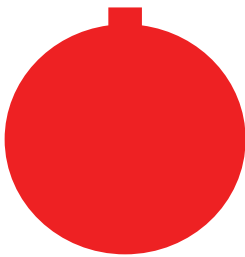
**BLACK NOVEMBER** starts as early as October 31, and many marketers will focus on gifts. Last year, Macy's added a "gifts" tab on its website, and REI sent emails encouraging customers to give the gift of the outdoors. The adventure retailer encourages customers to be creative with their gifts by providing product suggestions based on the type of adventure junkie the customer is shopping for, whether it's a fitness lover, hiker, cyclist or rock climber.

**THANKSGIVING WEEKEND** Black Friday can bring a hectic in-store experience, which is why some stores are providing a Black Friday store map in their email newsletters. Alongside the store map are suggestions of products that a customer should consider. Many customers research products before visiting the store. With a store map in hand, the brick-and-mortar experience is augmented.

**CYBER MONDAY** is the day smart brands will include in-store and online offers in their messages to remind customers they can receive great offers in brick-and-mortar stores, as well. "At the end of the day, it shouldn't matter where they shop, just as long as they are shopping with your brand," notes Hofmann.

**GREEN MONDAY** is the third largest online sales day in the holiday season. Walmart is already planning ahead by creating a "Green Monday" landing page on its website with information about sales, bundle deals and free shipping.

**AFTER CHRISTMAS**, brands often fall prey to sending messages that are too promotional. Instead they should focus on the "Happy Holidays" message. Amazon does this in conjunction with recapping the most popular sales. Harley Davidson asks customers if they received what they wanted and if not, to buy themselves a gift. Sephora taps into the fact that many customers received gift cards by providing purchase suggestions.



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New Year is when brands may tend to slow down their promotions and marketing. However, this is an ideal time to switch gears and focus on resolution making rather than gift giving. Amazon's "New Year, New You" program encourages customers to follow through on their resolutions with suggestions of items that promote fitness and health, for example.

Among the many email, SMS and push notifications, the most important thing is for brands to stay true to their messaging and always put the customer first. "Beware of over messaging these events and make sure they live up to customers' expectations," Hofmann cautions. "The last thing you want is to fail to impress."

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Black Friday



Cyber Monday



Green Monday



Free Shipping Day



# ACT NOW:

## Technology, planning and data collection

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Don't know where to start? Here's a rough guide:

### AUGUST IS ABOUT TECHNOLOGY.

Think ahead about what cross-channel capabilities you want and invest in the right technology solution to integrate SMS, push and email.

### SEPTEMBER IS FOR PLANNING.

Decide what each campaign's central message is going to be, and make sure that the design and copy teams are on board.

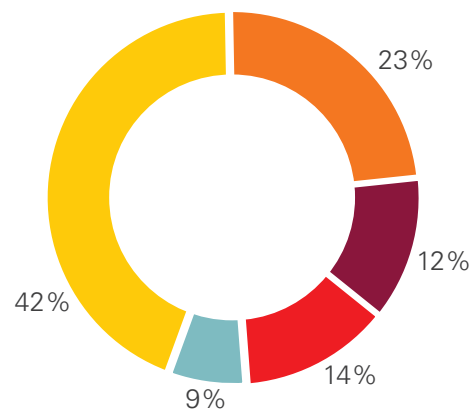
### OCTOBER IS FOR DATA COLLECTION.

To provide customized messages as the holidays near, use in-store browse, online browse and near-real-time abandoned cart strategies.

The holidays are a time for marketers to let their best messages and marketing sparkle. To earn customer loyalty, marketers are creating an emotional connection by bridging the in-store and digital experiences and delivering messages that customers want to receive on the right device. While using customer insights and sending personalized messages are key, customers will surely abandon a brand if they don't receive a package in time for the holidays. By listening to customers, marketers will be sure to make the holiday season merry and bright!

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### THE EARLY RETAILER GETS THE... WHEN RETAILERS PLAN TO START HOLIDAY MESSAGING.



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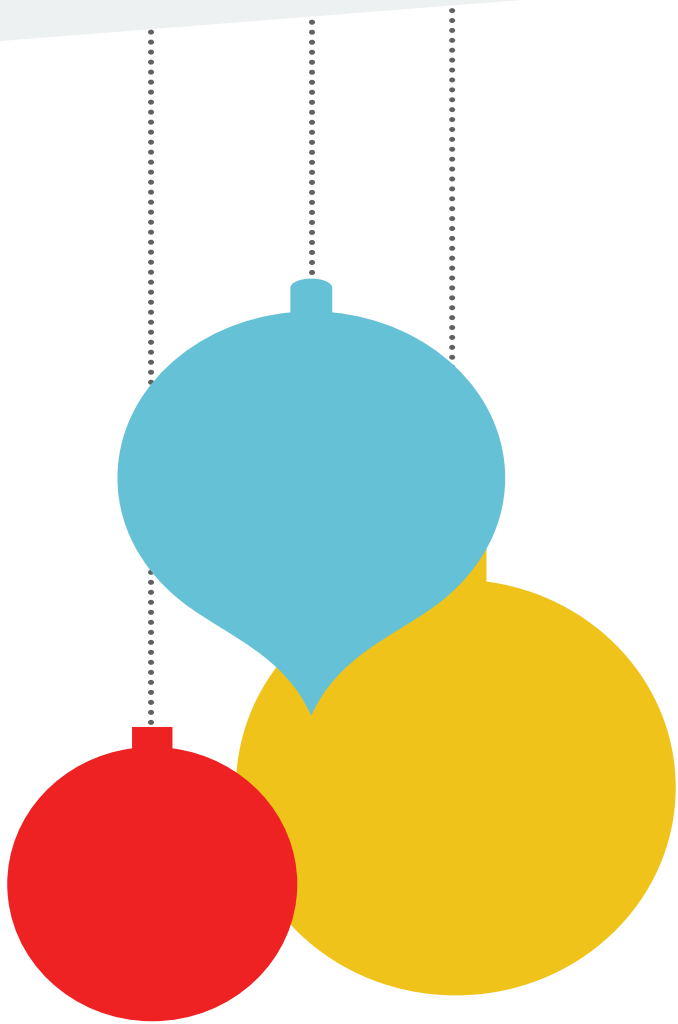
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