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RETAIL TOUCHPOINTS EXPOSED!

REPORT
16

DEAR READERS,

We live in a time where the consumer purchase journey is radically different than when retailers first opened their doors. Today's consumers are empowered by technology and engaging in fragmented communications across a growing number of devices, channels, and apps. As a result, the retail customer engagement, support, and linear purchase models of old are being stretched to their breaking point. Retailers must now scramble to embrace a new reality where consumers can access price, performance, and competitive data anytime, anywhere.

At ExactTarget, we strive to help marketers understand this changing environment so you can stay a step ahead of your competition and in the good graces of tech-savvy consumers. With **Retail Touchpoints Exposed!**, we're excited to share insights gathered from our first-ever study of the 100 fastest growing retail chains in the United States. In these pages, we examine how these brands are building and engaging email subscribers, Facebook fans, Twitter followers, and other digital audiences across in-store and online environments. Our hope is that by highlighting what these retailers are doing right—as well as opportunities they may be missing—we can help others optimize their own consumer touchpoints in ways that facilitate more profitable consumer communications and relationships.

Thank you for the taking the time to download and read the **SUBSCRIBERS, FANS, & FOLLOWERS #16: Retail Touchpoints Exposed!** As always, we look forward to your feedback.

Enjoy!

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EXECUTIVE SUMMARY

“We see our customers as invited guests to a party, and we are the hosts. It’s our job every day to make every important aspect of the customer experience a little better.”

- Jeff Bezos, Founder and CEO, Amazon.com

THE CUSTOMER EXPERIENCE. Mere invocation of the words makes seasoned retail marketers misty for the days when they controlled every aspect of the customer’s journey from parking lot to purchase. Today, however, the customer experience that retailers work so hard to create is under siege thanks to internet-enabled smartphones, barcode scanning apps, and comparison shopping tools. Indeed, the balance of informational power has shifted to consumers, and retailers are scrambling to fend off competition in every aisle *of their own stores*.

For those retailers hoping to avoid the fate of Borders, Circuit City, and Tower Records, all eyes are focused on optimization. Revenue optimization. Website optimization. Brand optimization. Product optimization. Loyalty optimization. To survive and thrive, retailers must maximize returns on their existing investments while driving innovation that will keep their brand fresh and their customers loyal.

Lost for many retailers in this pressure-packed environment is another form of optimization—audience optimization. Today’s retailers are no longer creatures of mass media alone. To thrive and survive, they must earn and own audiences across an amazing array of email, mobile and social channels. The retail brands that can best leverage their consumer touchpoints to build, nurture, and grow their audiences won’t just have direct lines of communications to potential customers, they’ll have a distinct competitive advantage over competitors who fail to build such audiences.

Retail Touchpoints Exposed! is the 16th research report in ExactTarget’s **SUBSCRIBERS, FANS, & FOLLOWERS** research series. In the following pages, we share with you the findings of our in-depth study of the 100 fastest growing retail chains in the United States. Our objective is to document how and whether these retailers are seeking to build and engage proprietary consumer audiences in ongoing email, mobile, and social communications.

To do this, we tracked each retailer’s efforts at five specific retail consumer touchpoints: (1.) In-Store, (2.) Website, (3.) Email, (4.) Social Networks, and (5.) Mobile Channels.

While one might automatically assume that the “Hot 100 Retailers” are fully leveraging their touchpoints to maximize both the size and engagement of proprietary email, mobile, and social audiences, we found quite the opposite. Consider that of the Hot 100 Retailers with brick and mortar stores, only:

- **2% used in-store signage to promote email or SMS (text message) engagement**
- **8% used in-store signage to promote their social communities on Facebook, Twitter, etc.**
- **44% sought email opt-in at point-of-purchase**
- **2% offered digital copies of receipts via email**

Online, the story was equally striking. Among the Hot 100 Retailers with e-commerce websites, only:

- **22% send cart abandonment emails**
- **21% personalized emails after online purchase**
- **51% saw fans answer customer questions on Facebook before the brand itself**

If there is one lesson to be learned within the following pages, it is that even the fastest growing retailers have room to improve their level of consumer engagement before, during, and after the initial sale. By exposing where retail touchpoints could be better leveraged to build engaged audiences, we hope to inspire marketers of all stripes—retail or otherwise—to embrace the full potential that email, mobile, and social channels hold for their organizations.

METHODOLOGY

Since its launch in May of 2010, ExactTarget's SUBSCRIBERS, FANS, & FOLLOWERS research series has sought to understand how consumers are engaging with brands through email, mobile, and social channels. In pursuit of this insight, we have relied solely on data collected via direct consumer surveys. With this report, however, we have taken a different approach. Instead of consumer surveys, the insights shared in **Retail Touchpoints Exposed!** are based on our primary analysis of consumer engagement practices at the 100 fastest-growing US retailers as listed in the National Retail Federation's STORES® 2011 Hot 100 Retailers Report (<http://www.stores.org/hot-100-retailers>).

Our research consisted of two phases. First, the experiential phase was conducted in March 2012. Our research team visited the websites and, where applicable, at least one physical store of each of the Hot 100 Retailers in order to:

- Document signage and other calls-to-action seeking consumer email, mobile or social engagement
- Interact with in-store sales staff to document efforts to obtain subscribers, fans, and followers
- Monitor communications through email, mobile, and social channels
- Purchase product in order to monitor receipt, shipping, and other post-purchase messaging

After concluding our initial website and store visits, we shifted into the second phase of our research during which we tracked brand communications and engagement across email, mobile, and social channels for a period of 30 days. The resulting data was then compiled and analyzed by our team to provide a snapshot of cross-channel consumer engagement from the Hot 100 Retailers in March and April of 2012.

For more information about the methodology of any of the reports in our SUBSCRIBERS, FANS, & FOLLOWERS Research Series, please visit www.ExactTarget.com/SFF.



THE IN-STORE EXPERIENCE

“The physical store is going to remain central to the shopping experience, but the walls are coming down. Customers are going to want an updated, unique experience in stores, and retailers will need to figure out what exactly they want and how to give it to them.”

Lisa Gomez, Senior Manager Retail, Deloitte Consulting LLP

We begin our examination of the Hot 100 Retailers on their home turf—their brick and mortar stores. 95 of the Hot 100 Retailers operate such stores, and in theory, any retailer with a physical presence has the potential for a huge home field advantage with consumers—but only if they leverage it. They own the store frontage, window displays, door decals, in-store signage, employee training, customer service, and the checkout process. Yes, the consumer may have a smartphone in their hand, but smart retailers have ample opportunities to develop a deeper level of engagement once consumers step into the store.

With this in mind, our research team visited a representative store for each of the 95 retailers. During these visits, we walked the entire store, interacted with store associates, and purchased at least one item. This allowed our team to document how the following touchpoints were being used to facilitate email, mobile, and social audience growth and engagement:

- *In-store signage*
- *Employee engagement*
- *Sales receipts*

While a number of the retailers surveyed impressed us with their efforts to turn consumers into subscribers, fans, and followers, a surprising number appear to be underutilizing their home field advantage.

SIGNAGE

Within the in-store retail environment, signage serves many purposes. It directs consumers where to go. It informs them of the latest sales. It ultimately conveys key elements of current marketing initiatives and the brand itself.

Our sole interest in examining in-store signage was to document whether and how the Hot 100 Retailers are engaging their in-store consumers via email, mobile, and social channels. After all, these channels remain open for direct communications after the consumer leaves the store. Thus, it struck us as a “no-brainer” that the fastest-growing retailers would be using in-store signage to drive ongoing consumer engagement.

What we found, however, was another matter. **Only 39 of the Hot 100 Retailers sought any sort of digital engagement from in-store consumers.** That’s right, over 60% of the retailers surveyed made zero effort to convert in-store visitors to subscribers, fans, or followers.

Of the retailers who did try to drive some digital engagement, the most popular call-to-action on signage (18%) was a website URL. 8% promoted social engagement via Facebook and Twitter—most often via simple social icon stickers—and **only 2% had any signage encouraging email or SMS opt-in.**

The missed opportunities with in-store signage are staggering. Google’s recent report, *The Mobile Movement: Understanding Smart Phone Users*¹, found that over 70% of shoppers use their cell phone in-store while shopping. Yet in our review, only 2% of the Hot 100 retailers sought in-store engagement through SMS, and only 5% promoted a proprietary mobile application. Instead of combating the in-store plague of smartphone-enabled comparison shoppers with mobile calls-to-action, the retailers we studied are currently ceding that ground to third-party apps and competitors.

The failure to drive email engagement is perhaps even more perplexing. As reported in our *2012 Channel Preference Survey*², 77% of US consumers prefer to receive permission-based marketing communications via email. However, retailers cannot send permission-based email *if they never ask for permission*. While some of the retailers surveyed rectify this oversight during the online and offline purchase process, we’re of the opinion that in-store signage is a touchpoint in desperate need of optimization if retailers are to build, engage, and grow audiences across email, mobile, and social channels.

¹ www.gstatic.com/ads/research/en/2011_TheMobileMovement.pdf

² *SUBSCRIBERS, FANS, & FOLLOWERS #14: The 2012 Channel Preference Survey*, <http://www.ExactTarget.com/SFF>

1.1 IN-STORE SIGNAGE: CALLS TO ENGAGE

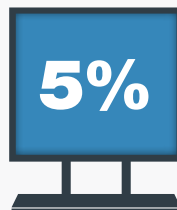
95 OF THE HOT 100 RETAILERS WITH BRICK AND MORTAR STORES



promoted
email opt-in



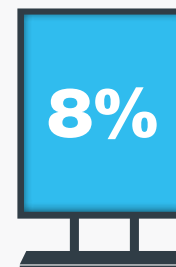
promoted a coupon
via SMS messaging



promoted
a YouTube channel



promoted
a mobile app



promoted Facebook
and Twitter engagement



promoted
website URL

EMPLOYEE ENGAGEMENT

If it is the job of the retailer to create and enhance the customer experience, the employees of brick and mortar retailers are fundamental to that experience. Employees need to be attuned to the needs of in-store consumers and ensure customers have a positive experience. In many ways, the best store associates help create an environment in which consumers not only want to purchase, but also want to engage with the brand in a deeper, more meaningful way such that the trip to the register isn't just to make a purchase, but also to grant permission for ongoing communications.

During our store visits, we documented employee behaviors both in-aisle and during checkout. In doing so, we found that **of the Hot 100 Retailers with physical stores, 62% had employees trained to seek data from consumers at point of sale.** However, **only 44% of the retailers with stores asked for a customer's email address at point of sale.**

Furthermore, while at the register, we observed two types of data being acquired by employees:

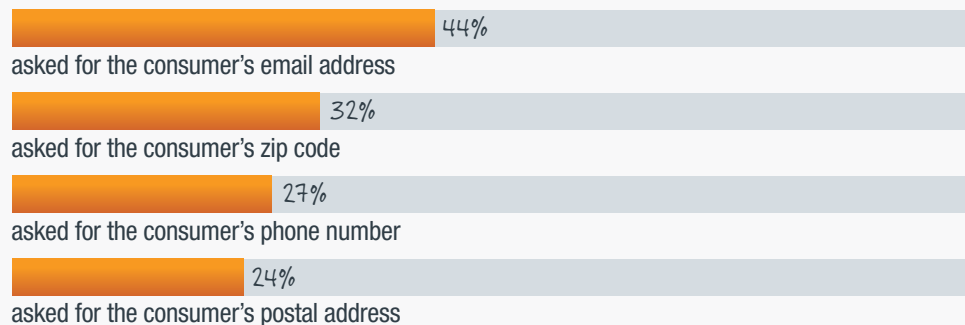
PERSONAL DATA: any piece of information that speaks solely to an individual (for example, phone number, email, purchase history, and first name)

GEOGRAPHIC DATA: any piece of information that speaks to a geography or demographic (for example, ZIP code and address)

Of all the data acquired at point-of-sale, 80% was personal data. We'll discuss later in this report whether this personal data led to more personalized communications. (Hint: it didn't.)

1.2 CONSUMER DATA ACQUIRED AT POINT OF PURCHASE

95 OF THE HOT 100 RETAILERS WITH BRICK AND MORTAR STORES



THE SALES RECEIPT

The sales receipt presents two distinct opportunities for marketers. First, it is a face-to-face opportunity to secure permission to send a post-sale communication in the form of a digital receipt via email. When purchased items are expensive, under warranty, or have a possibility of return or exchange, consumers view the email receipt as a customer service. Nevertheless, we found that **only 2 of the Hot 100 Retailers with physical stores (2%) offered digital copies of receipts via email.**

Retailers who offer email receipts create an immediate and permission-based communication opportunity to communicate with each customer. While each receipt is a one-off communication, the retailer can also include a call-to-action to subscribe to ongoing email communications, engage via Facebook or Twitter, and even rate products online. The key is not to let any promotions overwhelm the transactional nature of the message—and to make sure such communications comply with Federal and State laws such as California's *Song-Beverly Credit Card Act of 1971*⁵. Navigate the legal waters properly, and the simple sales receipt becomes a powerful cog in the retail audience-building efforts.

The second opportunity provided by sales receipts is much like in-store signage. Think about the coupons on the back of your grocery store receipt or the solicitation to complete a survey on the back of that fast food receipt. Both are highly visible efforts to extend consumer engagement beyond the initial purchase, and yet it would appear that the vast majority of the Hot 100 Retailers aren't leveraging this real estate.

While well over half of the 95 Hot 100 retailers with stores included their web address on the receipt, only 5% actually did so with a specific call to action. We were encouraged, however, that **over 25% of the in-store retailers (24 total) sought some type of feedback on the product or purchase process.** In the age of social media, feedback can be a powerful marketing tool. Comments posted to Facebook, Twitter, Foursquare, and other social networks increase awareness of your brand and, if positive, have the potential to increase your foot traffic. Since retailers control every aspect of their receipts, we suspect that we'll see more efforts to use this real estate to engage social consumers post-purchase.

⁵ <http://codes.lp.findlaw.com/cacode/CIV/5/d3/4/1.3>



RECOMMENDATIONS FOR IN-STORE ENGAGEMENT

As our anonymous shopping efforts revealed, even the fastest growing retailers have ample room to improve their in-store audience building efforts. Just capturing the attention of 10% more of a store's foot traffic could translate into thousands more subscribers, fans, and followers with whom the retailer could communicate directly. Our advice to all brick and mortar retailers, therefore, is to:

1. BE BOLD AND STRATEGIC WITH SIGNAGE

The mere fact a consumer walks through your doors indicates some level of interest in your brand. Put calls-to-action along their in-store path that convey how, where, and why to engage with you via email, SMS, Facebook, or your other digital channels. Fortune (and audience growth) favors the bold.

2. EDUCATE AND INCENTIVIZE SALES ASSOCIATES

Employees may love your brand, but most work for the paycheck. Incentivize your sales associates on audience acquisition, and coach them on how to encourage customers to engage your brand via social media and review sites.

3. GET CREATIVE WITH SMS

Whether "smart" or "dumb," a majority of cell phones these days have low-cost or no-cost text messaging capabilities. Test in-store SMS calls-to-action that encourage customers to try new products, shop clearance items, and purchase your overstocked items.

4. OPTIMIZE BOTH PRINT AND EMAIL RECEIPTS

As the tangible evidence of a sale, receipts are something consumers have a tendency to review and keep. Leverage that behavior to your advantage by offering digital copies via email and by promoting your preferred channels for feedback and social engagement.

Remember, your stores provide you with a distinct home-field advantage. Put it to good use!

THE WEBSITE EXPERIENCE

“Every year the marketing landscape changes, every year the customers become more demanding, every year [they want] more things. You have to always be sprinting to stay ahead of the competition.”

Jacob Hawkins - VP of Ecommerce, Overstock.com

According to Forrester Research, online retail sales will reach \$278.9 billion in 2015⁷. It's no wonder then that over the past decade, e-commerce websites have become incredibly fine-tuned conversion machines. The best of the best optimize the performance of technology, design, and content in pursuit of the holy grail of online retail—a frictionless, online environment in which every visitor becomes a loyal customer.

As with the physical stores, our intent in visiting the websites of the Hot 100 Retailers was to evaluate their efforts to build email, mobile, and social audiences. In so doing, we determined that while all the retailers surveyed had websites, only 72 offered e-commerce enabled websites. Accordingly, we reviewed and evaluated each website's:

- **Email opt-in calls-to-action**
- **Social engagement calls-to-action**

And in the case of e-commerce enabled websites, we also evaluated:

- **Product-related social engagement**
- **Purchase path through purchase confirmation**

While the retailers' online efforts to build subscribers, fans, and followers are certainly better than their in-store efforts, we again found ample room for improvement.

EMAIL ACQUISITION

There's good reason for retailers to want to acquire email subscribers. As documented in our *2012 Channel Preference Survey*, email is the digital channel used most frequently by consumers (91% use it daily compared to 57% who use Facebook and SMS daily). Email is also the direct messaging channel that inspires the most purchase behavior (66% of consumers have made a purchase due to an email message compared to 20% for Facebook and 16% for SMS).⁸

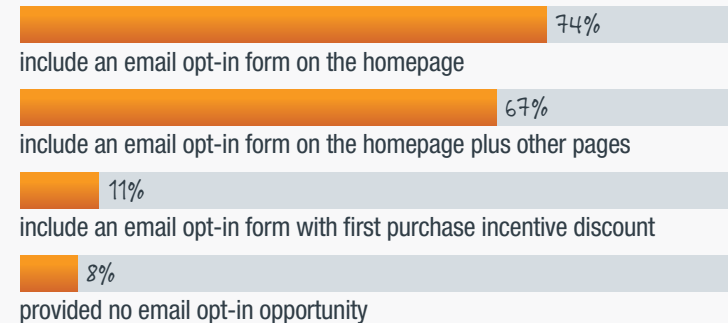
Unlike their brick and mortar stores, the Hot 100 Retailers appear to be committed to turning website visitors into email subscribers. We found that **74 of the Hot 100 Retailers present an email opt-in form on their homepage** and 67 include an email opt-in form on other pages of their website (pre-purchase). We also found that 11 of the 100 retailers provided a first-purchase incentive discount to new email subscribers. Overall, only 8 retailers failed to make any effort to acquire email subscribers on their website.

At first glance, the devotion of such prime website real estate to email acquisition suggests that at least the digital teams at the Hot 100 Retailers understand the business value of each email subscriber. However, the fact that 26 of the retail websites surveyed made no pre-purchase effort to convert website visitors into email subscribers screams of a missed opportunity. Even if those retailers are seeking opt-in permission as part of the check-out process, they are still missing out on acquiring subscribers who may still be “window shopping” the brand—those who are interested but not yet ready to purchase.

As for the actual email opt-in forms themselves, 43% of the 92 retailers with opt-in forms asked for the subscriber's zip code, while only 18% asked for product-related interests. Overall, it would appear that a majority of the retailers surveyed are erring on the side of caution by not seeking too much consumer data during initial opt-in. While this may be advisable to maximize opt-in completion—as we'll see later in this report—there's some question whether any of this data is needed as so few of the retailers appear to be using it to personalize their email messaging.

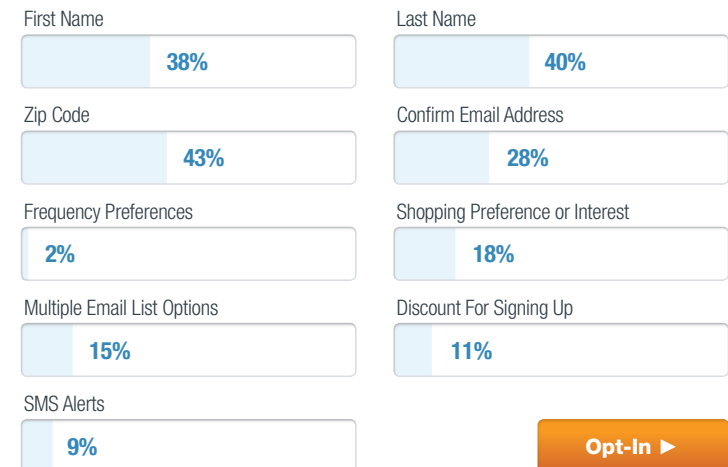
⁸ SUBSCRIBERS, FANS & FOLLOWERS #14: The 2012 Channel Preference Survey (www.ExactTarget.com/SFF)

2.1 EMAIL ACQUISITION ON WEBSITE OF THE HOT 100 RETAILER WEBSITES



2.2 DATA REQUESTED OF THE HOT 100 RETAILER'S EMAIL OPT-IN FORMS

Sign up today!



SOCIAL ICONS

Perhaps no website feature demonstrates how change has become the constant in marketing as the simple social icon. Just a few years ago, few retail brands were willing to give up their valuable homepage space to promote their Facebook pages or Twitter accounts. Now, most retailers wouldn't be caught dead without social links on each individual product pages—let alone their homepage. If social community is “where it's at” today, then “where it's at” is *everywhere*—Facebook, Twitter, YouTube, StumbleUpon, Pinterest, Google+, Blogs, and Foursquare.

Indeed, social media is so hot, it commands more of the Hot 100 Retailers' precious website real estate than email. While 74 have email opt-in links on their home page, **87 of the Hot 100 Retailers prominently feature social icons on their home page.** Unfortunately, for all the social icons on retailers' home pages, very few were accompanied by any clear indication of why a consumer would want to engage the brand on those channels. This “link it and they will click” mentality is pervasive—only 4 of the Hot 100 Retailers provided visitors with incentives or discounts to engage via the social networks.

Not surprisingly, Facebook was the most frequently promoted social network (87%) followed closely by Twitter (84%). There was then a steep drop to YouTube (40%) and retailer blogs (24%). Of all the

buttons, Pinterest would appear to be the fastest rising social icon. While only 7% of retailers displayed Pinterest icons on their home pages at the outset of our research, 14% did so as of the end of April 2012.

Beyond the homepage, we found that 65 of the Hot 100 Retailers (or 90% of the 72 with ecommerce websites) included social icons on each of their product pages. Of these, 61 included the Facebook “Like” button, 50 provided a link to email the product to a friend, and 37 had “Tweet This” or similar Twitter icons. As with the homepage, the most notable new entry was the “Pin It” icon from Pinterest which graced the product pages of 16 ecommerce retailer product pages (22%) at the time of our survey. It's also worth noting that Google+ was much more visible on product pages (26%) than ecommerce website home pages (6%)—perhaps tacit recognition of the greater influence Google+ may soon exert over organic search results.

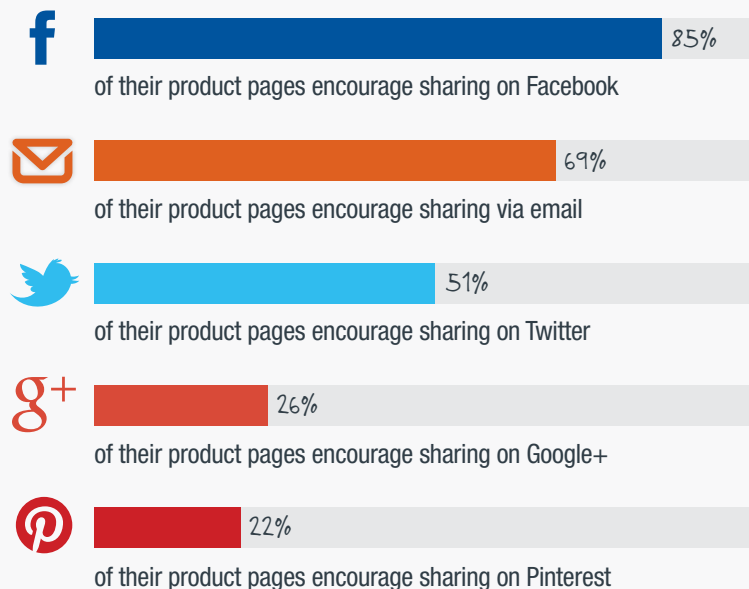
All in all, we see no reason why all of the Hot 100 Retailers with ecommerce websites wouldn't want to enable sharing across all of the major social networks via both their homepage and product pages. While some teams may face technical hurdles to accomplish this within existing page structures, the reward of greater brand and product distribution is more than worth the effort needed.



2.3 SOCIAL LINKS ON RETAILER'S HOME PAGE OF THE HOT 100 RETAILERS WITH WEBSITES



2.4 SOCIAL SHARING LINKS ON PRODUCT PAGES OF THE 72 ECOMMERCE ENABLED WEBSITES



RECOMMENDATIONS FOR RETAIL WEBSITE ENGAGEMENT

With over 80% of the Hot 100 Retailers deploying both email opt-in links and social media icons on their homepage, it's clear that the digital teams know that part of their job is to build audiences for ongoing marketing and on-demand deployment. Merely putting up links or icons, however, is not enough to entice most visitors to engage. Therefore, we encourage e-commerce retailers to:

1. CONVEY CLEAR VALUE

It is not enough to slap forms or icons on your website homepage; they must be accompanied by copy and creative that communicates the reason for consumers to engage. Communicate value effectively, and your email subscribers, Facebook fans, Twitter followers, and other social audiences will grow.

2. SIMPLIFY YOUR OPT-IN FORM

Don't collect consumer data unless you plan to use it. Asking too many questions during email opt-in will reduce form completion, so only stick to those that you leverage for message personalization or optimization.

3. PROMOTE SOCIAL BRAND ENGAGEMENT, NOT JUST SOCIAL PRESENCE

Consumers engage with brands on social networks in large part because they want to become part of a community with similar interests. If your brand lends itself to strong communities of this nature, find creative ways to showcase the community and its members on your site. To put it another way, pull back the curtain on how you're interacting with fans in order to attract more fans.

4. ENCOURAGE ALL TYPES OF SOCIAL SHARING

As detailed in our *2012 Channel Preference Survey*, email, Facebook, and Twitter are the two primary ways consumers share information online. Both Google+ and Pinterest have also quickly become must-have sharing links. If space isn't an issue, offer sharing links not only on your homepage, but also at the individual product page level. Each time a user shares content, it's a chance to draw new visitors to your site and increase sales—and isn't that why we're all here?

THE EMAIL EXPERIENCE

“One way to sell a consumer something in the future is simply to get his or her attention in advance.”

Seth Godin – Author, *Permission Marketing*

Acquiring a consumer’s email address means very little if a retailer fails to send timely, relevant content in line with the expectations set during the opt-in process. For this reason, we not only assessed the Hot 100 Retailers in-store and online email acquisition efforts, but also their:

- **Welcome emails**
- **Initial 30-day email volume**
- **Email personalization efforts**
- **Cart abandonment email efforts**

Despite the maturity of the email channel, we found a wide variance in how the retailers surveyed approached their email marketing communications. Moreover, we discovered some unsettling issues relating to email deliverability—particularly for subscribers with Gmail accounts. The findings should have all retailers reexamining both whether they are fully capitalizing on new subscriber interest and whether their messages are reaching their intended recipients.

THE WELCOME EMAIL

As your mother probably told you, you only have one chance to make a first impression. When that first impression happens in an already crowded email inbox, you had better be doubly sure that first impression leaves your subscribers wanting more.

The reason that email first impressions are a big deal is that studies have consistently found that welcome emails produce some of the highest open and click-through rates a brand will ever see. Since most subscribers will ask to join an email program only once, and their recollection of that opt-in event fades over time, marketers have a limited window to seize the welcome opportunity. Indeed, the longer you wait to send a welcome email, the less responsive your subscriber may be.

Since opt-in triggered emails can be easily automated, we were somewhat surprised to find that only 74 of the Hot 100 Retailers sent welcome emails to new subscribers. Clearly, the other 26 are missing an opportunity to solidify their relationships with new subscribers.

Of the welcome emails sent, 67% communicated the value proposition of the retailer's email program, and 35% included an incentive to inspire future purchase. Interestingly, 26% also asked their new subscribers to update their preferences — a smart way to gather more consumer data to aid segmentation and personalization without weighing down the email opt-in form.

A solid majority of the Hot 100 Retailers are leveraging welcome emails to confirm the program's value. However, there are still many that are treating new subscribers like any other email subscriber.

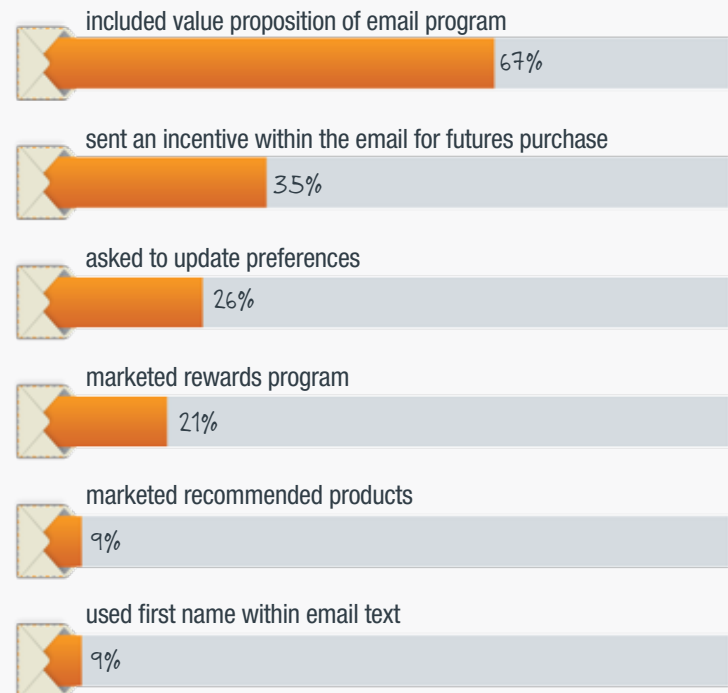
3.1 TIMING OF WELCOME EMAIL

74 OF THE HOT 100 RETAILERS THAT SENT WELCOME EMAILS

same day	within 1 day	within 2 days	within 3 days
8% sent on the same day as the opt-in is received	9% sent within 1 day	8% sent within 2 days	3% sent within 3 days

3.2 WELCOME EMAIL HIGHLIGHTS

74 OF THE RETAILERS THAT SENT WELCOME EMAILS



Welcome

EMAIL FREQUENCY

There is perhaps no topic more passionately debated in email marketing circles than frequency. To those banking on email to boost sales, the frequency can never be high enough. And to those attuned to issues of deliverability, consumer preference, and brand integrity, email frequency is something to be tested frequently and changed cautiously.

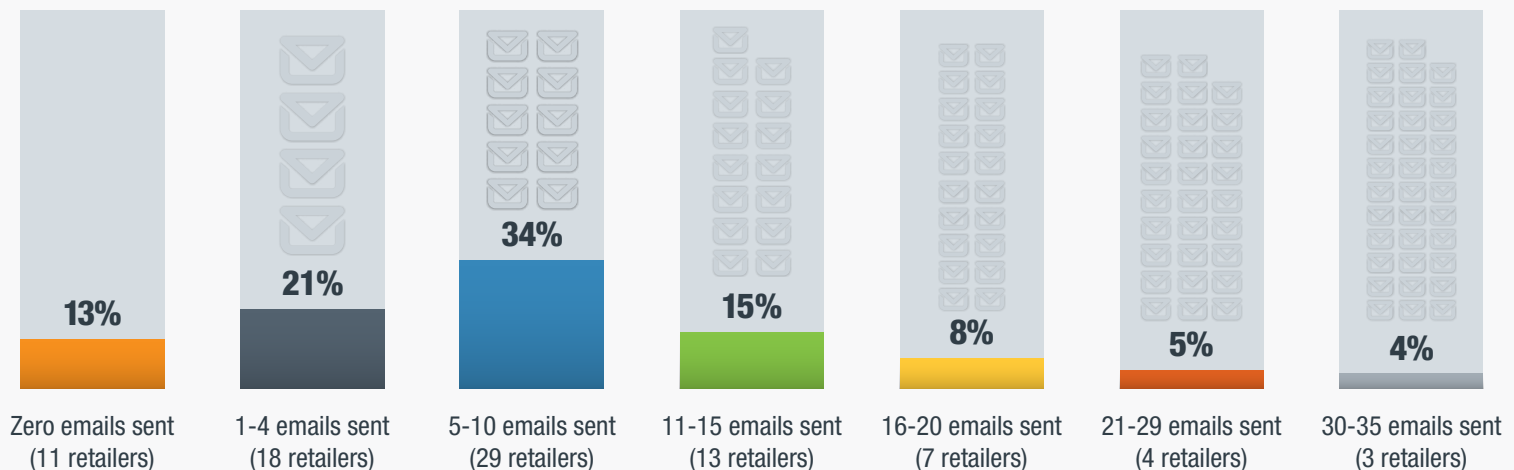
Since only two of the Hot 100 Retailers gave new subscribers any opportunity to dictate email frequency during the opt-in process, we were not surprised to find a considerable range over the period we measured—the first 30 days after email opt-in. However, **11 of the retailers monitored sent zero—yes, zero messages—while the highest volume sender sent 35 emails!!** Not surprisingly, the high-volume sender was all about driving sales—every single one of their messages promoted a sale or product incentive.

Digging a bit deeper, we uncovered an interesting correlation. The more a retailer chose to send, the more likely that retailer's emails were to eschew sharing the brand story in favor of pushing sales and incentives. For the retailers that sent 5-10 emails, a little over half (58%) included a sales incentive. However, brands sending more than 21 emails a month included an offer over 83% of the time.

While it is a retailer's job to sell, your email program must use its first 30 days to do more than that. You must use it to affirm your brand's credibility, trustworthiness, and relevance to the consumer. Your initial email messaging should work to establish your brand as a name your subscribers want to see on the FROM: line, because they know you deliver personal value. Fail to do this—especially in the era of smartphones and shrinking attention spans—and your brand's emails will quickly fall victim to the “thumb-swipe delete” or—worse yet—the spam folder.

3.3 EMAIL VOLUME OVER FIRST 30-DAYS

OF THE HOT 100 RETAILERS SENDING EMAIL



PRODUCT REVIEW REQUESTS

Thanks to the rise of search engines and social networks, consumer-authored reviews have never been more critical to a retailer's success. One of the great cross-channel opportunities between email and social media, therefore, is to follow up a purchase with an email encouraging a consumer to review the product on the retailer's website and to share the review via appropriate social networks.

While 63 of the Hot 100 Retailers allow consumers to review their products on their websites (88% of those with ecommerce websites), only 17 of them (24% of those with ecommerce websites) sent a post-purchase email in which product reviews were sought. Since such emails can be automated and consumer product reviews are of increasing importance, this strikes us as an area for immediate improvement among the Hot 100 Retailers.

EMAIL MESSAGE PERSONALIZATION

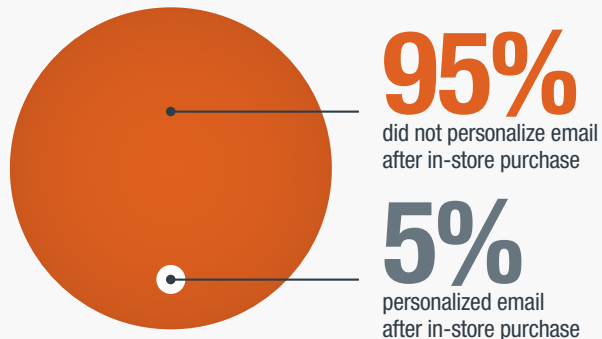
Since many of the Hot 100 Retailers gathered personal data during the opt-in and sales process, we expected to see many of them personalizing email content. After all, the benefits of message personalization and segmentation are well known to include increased response and average order size.

Imagine our surprise then when we discovered that **only 4 of the Hot 100 Retailers with in-store opt-in personalized emails after an in-store purchase, and only 15 did so after an online purchase.** Looking at the data another way, while almost 44% of the retailers surveyed asked for an email at in-store point-of-purchase, less than 4% used any of that purchase data to customize their email messaging.

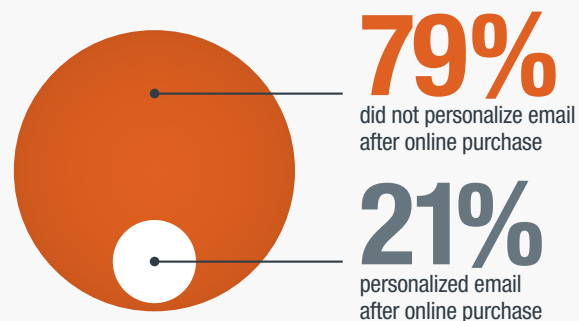
Talk about "low-hanging fruit!" A vast majority of the Hot 100 Retailers are sitting on consumer data that could be used to help power more relevant content—if only they would put it into action.

3.4 PERSONALIZATION OF EMAIL

AFTER IN-STORE PURCHASE



AFTER ONLINE PURCHASE



CART ABANDONMENT MESSAGING

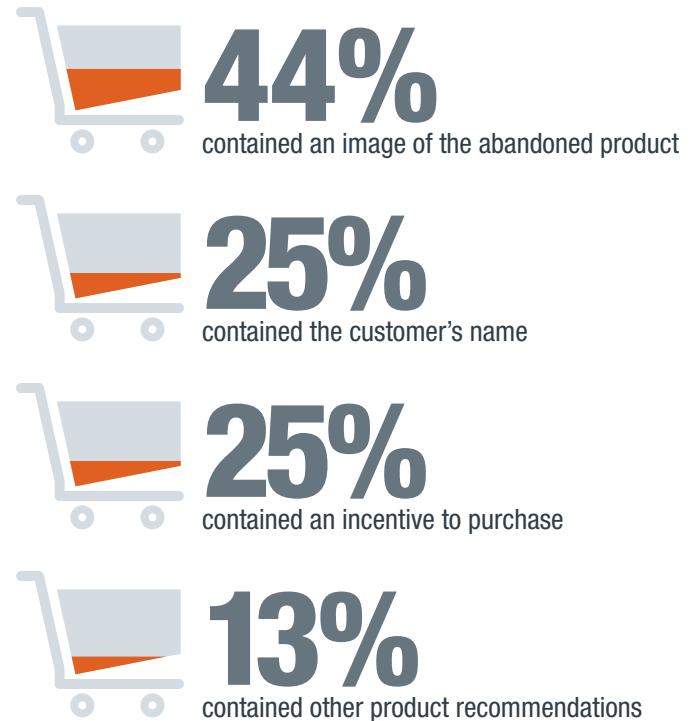
According to SeeWhy, 72% of today's online shoppers have abandoned their carts at least once—up from 53% in 2010¹⁸. To assess what the Hot 100 Retailers are doing to reengage consumers who abandon their carts, we shopped their sites in a logged-in state, selected several items for purchase, and then ended our session without purchase.

What we found was that **only 16 of the 72 Hot 100 Retailers with e-commerce websites (22%) send cart abandonment emails**—emails designed to get consumers to reengage with their website and complete all or part of their purchase. Since cart abandonment can easily be automated—and since they are usually quite profitable—we think this number needs improvement. Retailers without cart abandonment programs are literally leaving money on the table.

As for the cadence of the messaging from retailers with cart abandonment programs, we found that on average, two days elapsed before the first reengagement email was sent—with the outlier received a full nine days after cart abandonment.

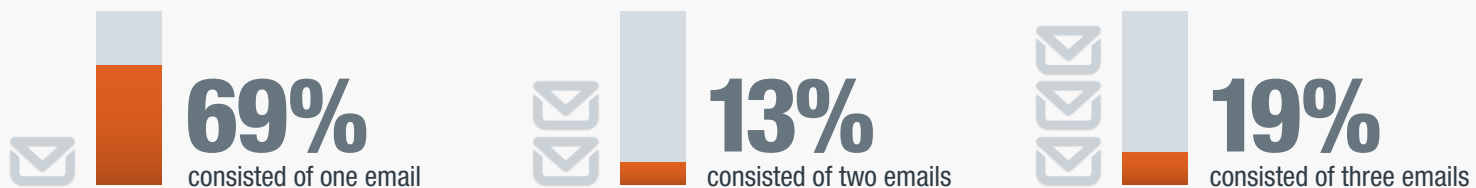
We also examined the overall email design and message of the cart abandonment emails. **Only four retailers (25%) included incentives to purchase in their cart abandonment emails, and only eight (50%) included an image of an abandoned product.** Thus, even for those Hot 100 Retailers with cart abandonment programs, there appears to be room for message content and design optimization to increase conversion.

3.6 CART ABANDONMENT EMAIL FEATURES OF THE 16 RETAILERS THAT SENT CART ABANDONMENT EMAILS



3.5 NUMBER OF CART ABANDONMENT EMAILS

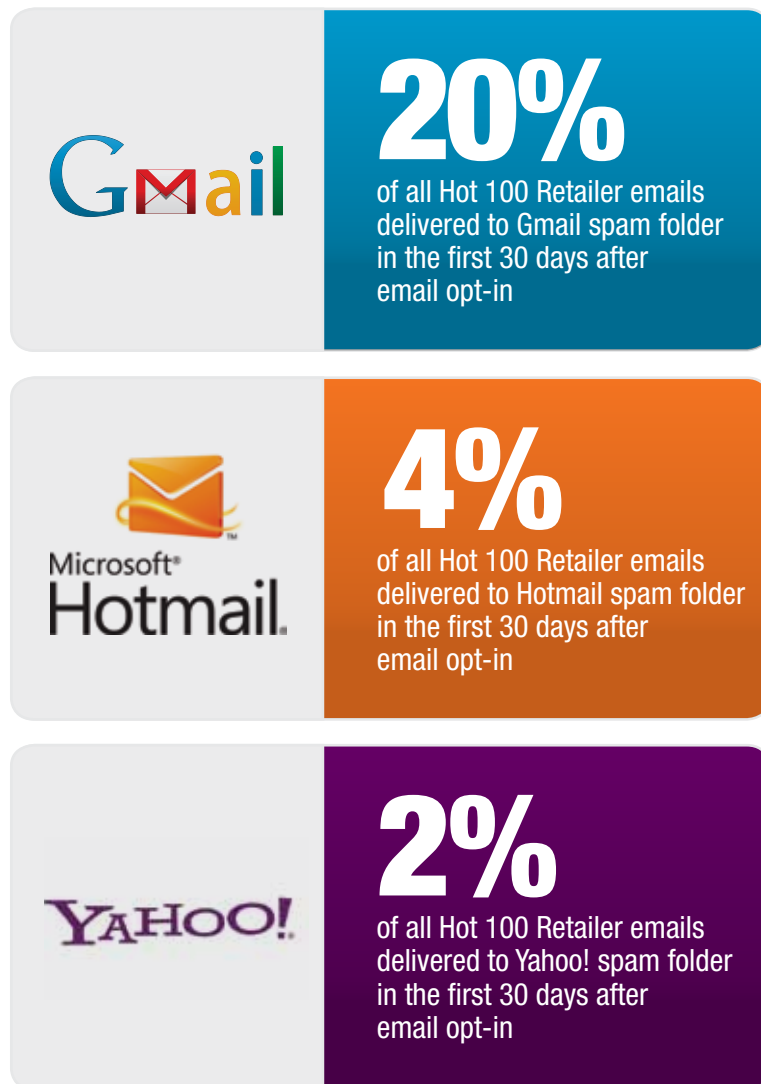
OF THE 16 RETAILERS THAT SENT CART ABANDONMENT EMAILS



¹⁸ <http://seewhy.com/blog/2012/01/17/shopping-cart-abandonment-rate-set-to-rise-in-2012/>

3.8 EMAILS HITTING THE SPAM FOLDER

EMAILS DELIVERED TO SPAM FOLDER IN THE FIRST 30 DAYS



THE DELIVERABILITY GAP

While our report provides neither the time nor the place to discuss the vagaries of email deliverability, we would be remiss if we didn't share some key findings of our message review.

Initially, our research sought to evaluate the Hot 100 Retailers' email messaging via a single, dedicated Gmail account. However, midway through our initial monitoring period, we noticed that we had not received any emails from several of the retailers. Accordingly, we opted into each of the retailer's email programs using three new email addresses—one from Gmail, one from Hotmail, and one from Yahoo! Mail. What we discovered is the stuff that keeps retail email marketers up at night.

Within the first 14 days after initial opt-in, Gmail directed at least one email from 26 of the Hot 100 Retailers to the spam folder. Perhaps most worrisome was the fact that Gmail directed the very first email from seven retail brands—the welcome email—to the spam folder.

When examined across the entire 30 day monitoring period, the Gmail story improved somewhat with “only” 20% of the total Hot 100 Retailer email volume directed to Gmail's spam folder. During the same period, Hotmail, and Yahoo! Mail directed only 4% and 2% of all Hot 100 Retailer emails to the spam folder.

To say that some of the Hot 100 Retailers have an email deliverability problem on their hands would be an understatement. Unfortunately, however, they are not alone. In the first half of 2011, Return Path found that 19% of all permission-based email never makes it to the inbox²¹. That's right—permission alone isn't a guarantee of deliverability.

There are many reasons for this challenging state of affairs, and the responsibility is shared equally by senders and ISPs alike. However, since the ISPs are the gatekeepers of the inbox, it is up to the brands sending email to diagnose and remedy their own deliverability issues. Look for us to share specific ways this can be done in *Retail Touchpoints Optimized!*—an upcoming companion piece to this Report.

²¹ Return Path, “The Global Email Deliverability Benchmark Report, 1H 2011.”

RECOMMENDATIONS

FOR EMAIL MESSAGING

Research and retailer experience continue to indicate that email remains the most affordable and effective digital channel for marketers to communicate with consumers and drive sales. To leverage email to its fullest extent, we recommend:

1. SUPERCHARGE THE WELCOME EMAIL

When sent in a timely fashion after subscription, the welcome email will produce your email program's highest opens and click-through rates. Optimize the content to orient new subscribers, reaffirm your brand promises, and give new subscribers a sense of exclusivity. And don't batch welcome emails—automate them so each subscriber receives your welcome message in close proximity to opt-in.

3. USE THE DATA YOU COLLECT

Segment and personalize email content based on the consumer data you collect. If you don't leverage the data, then don't collect it. After all, a shorter opt-in form will likely translate into more subscribers.

5. REMEDY DELIVERABILITY ISSUES

Whether you're a "hot," new or veteran retailer, email deliverability is a critical concern. Make sure your team is monitoring across all major email systems so you can identify and deal with issues quickly. Unfortunately, consumer permission is just one piece of today's increasingly complex deliverability puzzle.

2. TIE FREQUENCY TO CONSUMER EXPECTATIONS AND BRAND REPUTATION

The first 30 days after opt-in are critical to establishing your sender reputation with a subscriber. Don't drown them in promotions. Find the balance appropriate to your brand and product offering and then test different content and cadence to find your sweet spot with new subscribers.

4. REENGAGE EVERYONE

If a consumer has purchased from you, then ask them via email to review your products. If a consumer has left their cart before completing the sale, then build an abandonment program that gives them good reason to purchase. Reengagement is for everyone.

THE MOBILE EXPERIENCE

“The smartphone revolution is under-hyped. More people have access to phones than access to running water. We’ve never had anything like this. Everybody is going to have a general purpose computer in their pocket.”

Marc Andreessen - Founder & General Partner, Andreessen Horowitz

The mobile revolution is upon us, and it goes well beyond text messaging. In short order, smartphones have captured over 50% of the U.S. market, and tablet devices—particularly the iPad—have left many consumers questioning their need for a desktop or laptop computer altogether. Indeed, according to Google, 91% of all mobile users plan to maintain or increase their internet usage over the next year.²³

Mobile consumers present both risk and opportunity to retailers. According to The Pew Internet & American Life Project, 38% of cellphone owners used their phone to call a friend while in-store, 24% used their phone to look up a product review, and 25% used their phone to price shop²⁴. If retailers don’t want their stores to become showrooms for their competitors, they must embrace mobile channels—not run from them. For that reason, we took a look at how the Hot 100 Retailers are embracing:

- **SMS (text messaging)**
- **The mobile web**
- **Mobile apps**

What we found is perhaps best summed up by Elizabeth Shaw, an analyst with Forrester Research, who said recently, “Brands cannot take a one-size-fits-all approach to marketing across mobile devices. They need to build strategies that are heavily rooted in the user’s mobile context.”

²³ <http://bit.ly/1LyeLJ>

²⁴ <http://pewinternet.org/Reports/2012/In-store-mobile-commerce.aspx>

SMS (TEXT MESSAGING)

According to eMarketer, 66% of US smartphone owners use their phone to aid in shopping²⁵. With broad SMS availability and smartphones growing in popularity, one might assume that a majority of retailers would have already embraced text messaging to drive engagement, push promotions, and generally communicate with consumers.

We found, however, that only 33 of the Hot 100 Retailers use SMS to drive sales—and none use SMS to drive email subscriptions. Ironically, the most frequent place retailers promoted their SMS campaigns was via email, while only 18% of those with SMS campaigns promoted them in-store. With the prevalence of cell phones, this seems to be a missed opportunity. Unfortunately, the Hot 100 Retailers are not alone. According to eMarketer, 21% of the retailers they surveyed have no plans to implement an SMS strategy, while 42% will do so sometime in the next two years.²⁶

For a channel with nearly universal adoption, a low signal-to-noise ratio, and demonstrated performance, SMS would seem to be well-suited to the in-store retail environment. Perhaps as some of the mystique of SMS campaign set-up dissipates and the unique nature of the channel is more fully appreciated, we will see more creative SMS deployments from the Hot 100 Retailers.



²⁵ <http://www.emarketer.com/Article.aspx?R=1008971&ecid=a6506033675d47f881651943c21c5ed4>

Source – Leo J. Shapiro & Associates (LIS) "How Smartphones Are Helping Create a New Generation of 'Smart Shoppers'", March 23, 2012

²⁶ eMarketer.com - <http://totalaccess.emarketer.com/Chart.aspx?R=118089&dsNav=Ntk:basic%7cretail+SMS%7c1%7c,Ro:5> (Source : Boston Retail Partners,

"13th Annual POS Benchmarking Survey, Jan 27, 2012)

THE MOBILE WEB

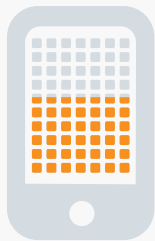
If eMarketer estimates are correct, there will be 115.8 million smartphone users in the US by the end of 2012—a number that will grow to 176.3 million by 2015²⁷. Increasingly, these mobile users expect to take the full functionality of the web with them anywhere and everywhere—and that includes the ability to shop as the mood strikes them.

Of the Hot 100 Retailers, 68 of the 72 with ecommerce websites (94%) also operate mobile versions of those sites. Since our specific interest in these sites—much like their full-featured counterparts—is whether the brand is using them to build audiences, we documented the various points of engagement.

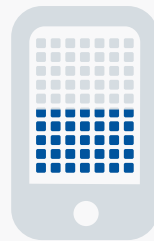
Of the Hot 100 retailers with mobile websites, only 38 (56%) promoted email opt-in, while 32 (47%) promoted their Facebook page. Each of those percentages are considerably lower than the efforts made on their standard websites to acquire email subscribers and Facebook fans—a clear indication that retail email and social marketers need to review their brand's mobile web efforts to ensure that their audience building efforts aren't left high and dry.

4.2 MOBILE WEBSITE FEATURES

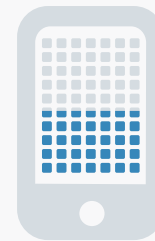
68 OF THE HOT 100 RETAILERS WITH MOBILE WEBSITES



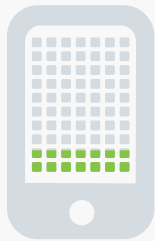
56%
promote email
opt-in



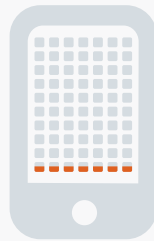
47%
promote Facebook
engagement



46%
promote Twitter
engagement



16%
promote a branded
mobile app download



4%
promote SMS
engagement

²⁷ <http://www.emarketer.com/Article.aspx?R=1008971&ecid=a6506033675d47f881651943c21c5ed4>

MOBILE APPS

From loyalty apps to branded games to bar code scanners, the usage of mobile applications has been increasing rapidly within the retail community. For purposes of our research, we reviewed the Apple and Android app stores to identify apps produced by retailers. Overall, at the time of research, 39 Hot 100 Retailers offered a smartphone app of some sort, and 11 also had iPad specific apps available for download.

In examining the applications themselves, we found just over half (21) of them facilitated mobile purchase while only 13% (five apps) sought email opt-in from users. While mobile app strategies are still maturing, it is important that retailers don't forget that they, too, can be critical components in audience building efforts for the brand. And while it is great to have engaged mobile app users, it is even better when the brand can also communicate directly with those consumers via email, SMS, push messaging, Facebook, Twitter, and other means.



RECOMMENDATIONS FOR MOBILE ENGAGEMENT

Despite the rapid proliferation of smartphones and tablets, our Hot 100 Retailers seem to be wrestling with what to do with mobile. This is worrisome in that consumers are already using bar code scanners, mobile search engines, and the mobile web itself to do comparison shopping at point-of-purchase. While one might want to believe that slow and steady will win the race, with Amazon's virtual storefront nipping at nearly every retailers' heels, it's more likely that the retailers who can adapt to mobile fastest will have a distinct competitive advantage. With that in mind, we offer a few recommendations:

1. GET CREATIVE WITH SMS

Aside from the telephone itself, text messaging is the oldest and most-utilized mobile communications channel today. Due to carrier controls, messaging must follow rigid opt-in and opt-out rules, but that should force more creativity from marketers, not limit it. Test SMS to drive sale foot traffic, in-store promotional traffic, and overstock/clearance item awareness. The more SMS can be tied to measurable results, the more you'll see it work for you.

2. MOBILIZE YOUR AUDIENCE BUILDING

As the mobile web grows in importance, so too will the importance of having effect audience building efforts built into your mobile site. Audit what you're doing now from an email and social opt-in/promotional standpoint, and share the findings with your mobile team. The smaller screen is no excuse to abandon subscriber, fan, and follower acquisition efforts.

3. REGISTER AND SHARE

Mobile apps can be a great way to serve and entertain customers. Whichever is at the heart of your strategy, be sure to build in email registration and social sharing options where appropriate. Both will increase your audience reach such that you're not dependent on the app being open to communicate with your mobile audience.

THE SOCIAL EXPERIENCE

“We take most of the money that we could have spent on paid advertising and instead put it back into the customer experience. Then we let the customers be our marketing. Historically, our number-one growth driver has been from repeat customers and word of mouth.”

Tony Hsieh – CEO, Zappos.com

Few can argue that social media has revolutionized the way people communicate with each other. The red velvet ropes that separate “us” from “them” are gone, replaced with direct lines of communication between “regular people” and the celebrities they follow, the politicians they elect, and the brands they use. However, as we have documented throughout our *SUBSCRIBERS, FANS, & FOLLOWERS* research series, not all social networks—or social audiences—are created equal. The expectations of your Facebook fans are likely vastly different than that of your Twitter or Pinterest followers. The key for retailers, therefore, is not only to build these social audiences, but engage them in ways that keep them passionate for your brand.

As part of our research, we examined how the Hot 100 Retailers were engaging four very different social audiences:

- **Facebook**
- **Pinterest**
- **Twitter**
- **YouTube**

Strategies for social engagement appear to vary greatly from retailer to retailer—perhaps due, in part, to the relative youth of these social networks. After all, it’s rather difficult to have a set strategy when the social networks themselves continue to evolve rapidly. For that reason, we share our social engagement findings more as a snapshot of what’s happening at this specific moment in time—knowing full well that only with the maturation of both the social channels and consumers use of them will clear “best practices” for each emerge.

Perhaps no social network today generates more headlines, critics, and usage than Facebook. It is the 800-pound gorilla of social media, with nearly a billion registered users and average time-on-site stats that dwarf the rest of the social web. It came as no surprise to us, therefore, that **94 of the Hot 100 Retailers have branded Facebook pages**, and 72 of them had multiple accounts to facilitate fan relationships with individual, local stores. In digging further, however, it appears that only 14 of the Hot 100 Retailers had coordinated Facebook localization strategies while the rest were the result of ambitious, rogue store initiatives (depending on your point of view).

On average, the Hot 100 Retailers maintain eight tabs on their Facebook pages, over half of which are custom designed. In fact, 81% of the retailers with a Facebook presence offered fans at least one custom tab; however, the vast majority of the content on these tabs was promotional in nature (sales or contests). In examining the page content that Hot 100 Retailers are presenting to their Facebook fans, we found that nearly half (48%) of those with Facebook pages are promoting contests while 23% are offering Facebook-only coupons.

We were pleased to see a variety of cross-channel promotion within the Hot 100 Retailers' Facebook pages as such efforts allow the brand to connect better with consumers when and where it makes sense. 37% of the Hot 100 Retailers with Facebook pages promote Twitter and YouTube content on Facebook, while 36 cross-promote email subscription. While we'd like to see higher numbers, the variety of activities happening on retailer Facebook pages suggests that we're still in a time of great experimentation for many brands.

While page content is important on Facebook, fan engagement is probably the most critical metric today. The more engaged your fans are on Facebook (i.e., liking, sharing, or commenting on your content), the more of your content will be distributed to your fans. We'll avoid getting into the details here of the "EdgeRank" algorithm that controls brand post distribution; however, the main point is that a profitable Facebook strategy is built on far more than a single page—it's built on the shoulders of engaged fans who are eager to engage with and amplify your brand story. It is not enough to just get the initial "like" because, as we shared in *SFF #10: The Meaning of Like*, "like" means different things to different consumers. What you want from your fans is engagement—likes, shares, and comments—on a continuous basis.

At the time of our survey, the average Hot 100 Retailer had 1,187,957 likes with a 1.95% fan engagement rate (average of 23,200 "People Taking About This" on Facebook—an aggregate of likes, shares, and comments by fans). The retailer with the largest fan count had 18,104,393 likes, with a 1.1% fan engagement rate (198,847 "People Talking About This").

As part of our research, we also monitored Facebook fan engagement across each of the Facebook pages operated by the Hot 100 retailers. In so doing, we discovered that the average time for a brand to respond to a Facebook fan's inquiry was seven hours. **We observed that 51% of the Hot 100 brands on Facebook have fans that answer consumer questions before the brand.**

While some might view this as a failure of the brand to immediately respond to a consumer inquiry, it is potentially a sign of strong, loyal brand communities on Facebook. The Hot 100 Retailers who are seeing this level of fan engagement and assistance should seek to reward it, and those that don't have it should examine their peers who do. At the end of the day, fan counts don't matter if they don't interact in meaningful ways with your brand on Facebook.

5.1 FACEBOOK PAGE FEATURES

94 OF THE HOT 100 RETAILERS WITH FACEBOOK PAGES



5.2 FACEBOOK PAGE FEATURES

94 OF THE HOT 100 RETAILERS WITH FACEBOOK PAGES

Average Number of Likes

1,187,957 

highest number of likes 18,104,393

Average Number of Users Talking

23,220 

highest number of users talking 198,847

Average Fan Engagement Rate

1.95% 

Tabs on Retailer's Facebook Page

8 Wall Info Photos Deals Promo

Average Number of Check-Ins

14,103 

Average Response time to Questions on Wall

7 hrs. 



If ever there was a social network that is different things to different people, it is Twitter. To some, it is the AP Newswire for a generation of citizen reporters. To others, it is a source of comic relief. And for some, it is a marketing channel, a public instant messaging network, and a way past celebrity gatekeepers. The truth is that Twitter is all of those things and more, which is one of the reasons it is such a powerful channel—even with messages of 140 characters or less.

The Hot 100 Retailers must agree with our assessment because 93 of them have Twitter accounts with an average of 83,233 followers. Digging into a representative week's worth of tweets, we found that 77% of the retailers with Twitter accounts do reply to direct consumer inquiries (i.e., those using the brand's Twitter handle). On average, the Hot 100 Retailers sent 8 tweets per week, and 50% of those were promotional in nature.

Digging a bit further into the actual tweets, we found some cross-channel marketing of Facebook and Pinterest content. We also saw about the same percentage of retailers using Twitter to promote contests as those using their Facebook page. Surprisingly, only 8% of the Hot 100 Retailers with Twitter accounts used them to cross-promote email subscription.

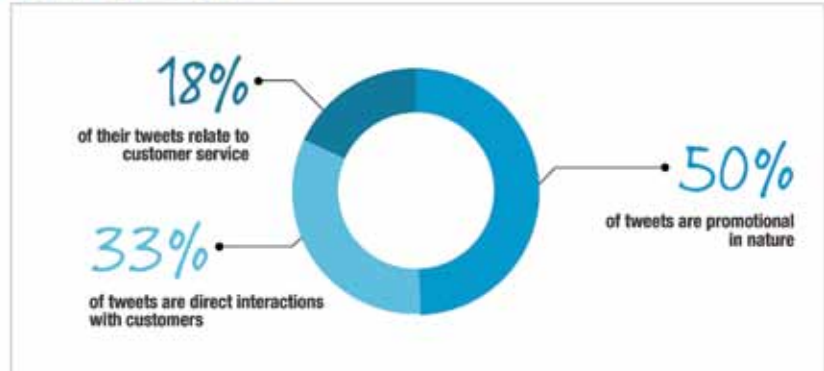
Since Saturday is one of the busiest shopping days of the week, we also took a look at which brands were tweeting on the weekend. Only 58 of the 93 Hot 100 Retailers on Twitter (62%) were active on Twitter on the weekends. As Twitter gains traction as a customer service channel, we suspect that more retailers will need to actively manage and participate in the conversation that takes place in their stores and around their brands on weekends. Letting these conversations take place without brand involvement risks turning minor incidents into brand embarrassments come Monday—something that may be easily avoided with existing customer service staff.



5.3 TWEETING WITH INTENT

93 OF THE HOT 100 RETAILERS WITH TWITTER ACCOUNTS

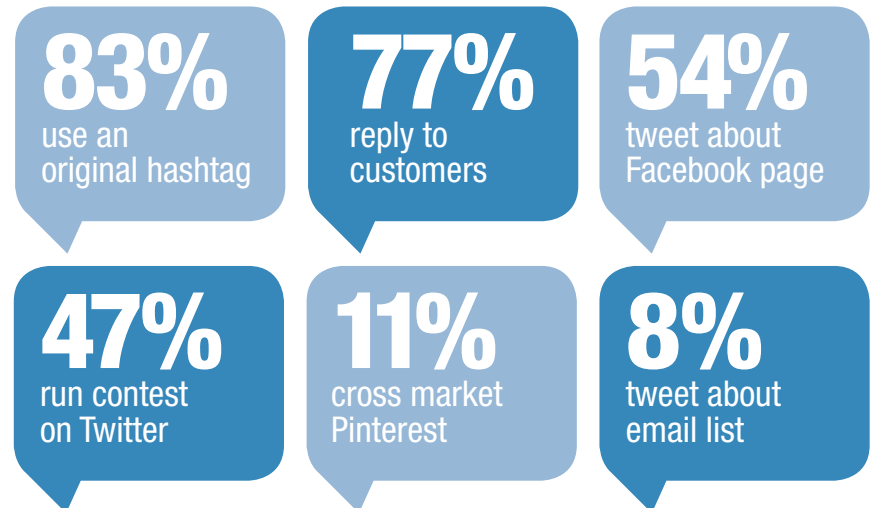
← Reply ↻ Retweet ★ Favorites



10:42 AM - 22 May 12 via Social Engage - Embed the Tweet

5.4 WEEKDAY TWITTER CONTENT

93 OF THE HOT 100 RETAILERS WITH TWITTER ACCOUNTS





PINTEREST

If Facebook is the 800-pound gorilla of social media, Pinterest is the current darling. A shooting star that wasn't even on the radar of most retailers in 2011, Pinterest has quickly become the social network *du jour*, a visual sharing site that allows people to share the images, products, places, and things that excite them. This, in turn, excites marketers because of Pinterest's ability to drive traffic and sales. As of January 2012, Pinterest now drives more traffic to retail websites than LinkedIn, Google+, Reddit, and YouTube combined³⁰. And according to PriceGrabber survey, 21% of U.S. consumers say they have purchased a product after seeing it on Pinterest. No wonder retailers are excited!

What's interesting about Pinterest is that retailers don't necessarily need to have their own Pinterest account to benefit from its traffic and sales-driving prowess. Indeed, we found that 93 of the Hot 100 Retailers have had their products "pinned" by consumers on Pinterest, but only 60 of the Hot 100 Retailers actually have their own Pinterest accounts—a number that jumped from only 42 retailers a month prior.

It is worth noting that one of the key aspects of Pinterest's success is control. Pinterest provides consumers with a way to organize and prioritize their brand relationships through curated content. Pinterest's very structure gives consumers a simple way to publicly share, discuss, and sometimes even endorse, the products, brands, and lifestyles that excite them. The takeaway for retailers? Pinterest is not Facebook, nor is it Twitter. It is a unique ecosystem that is evolving before our very eyes; therefore, we would be wise to let it grow, build your brand's Pinterest followers, and empower Pinterest members to pin your content as they see fit. After all, if it ain't broke, why break it?

5.5 PINTEREST ACTIVITY

60 OF THE HOT 100 RETAILERS AS OF APRIL 2012



Push-Pin - red/clear
104 likes 2 comments 503 repins

93

Consumers have **"pinned"** products from **93 of the Hot 100 Retailers**



Pinterest Page
89 likes 4 comments 237 repins

60

60 of the Hot 100 Retailers have Pinterest Pages (up from 42 on March 13, 2012)



Crowd Walking - population
257 likes 7 comments 719 repins

1,002

The **average Hot 100 Retailer** has **1,002 followers** on Pinterest (up from 516 on March 13, 2012)



Large Crowd
254 likes 3 comments 246 repins

25,055

The Hot 100 Retailer with the **most** Pinterest followers had **25,055**



Thumb Tacks - variety of colors
98 likes 7 comments 261 repins

59%

Brands increased pinning activity on their Pinterest pages **by 59%**



Thumbs Up - girl with glasses/bow tie
627 likes 2 comments 452 repins

31

Average "likes" on Hot 100 Pinterest Pages **was 31**

³⁰ <http://blog.shareaholic.com/2012/01/pinterest-referral-traffic/>

You Tube YOUTUBE

While most marketers think of YouTube as a video channel, it is really a social video network thanks to its ample sharing mechanisms, comments features, and broad distribution platform. We elected to include it in our report because we found that **84 of the Hot 100 Retailers have posted at least one video to YouTube.** The rub, however, appears to be that YouTube is the neglected social channel for most retailers—a once great idea that has fallen into a black hole. This may explain why the average time between uploads for the Hot 100 Retailers is 48 days.

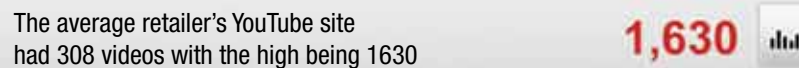
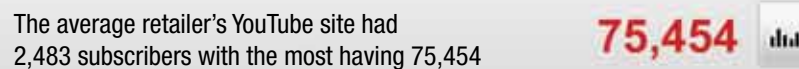
YouTube's promise to retailers is amply demonstrated by one of the Hot 100 Retailers that has over 75,454 subscribers with over 35 million views of its 242 videos. Much like other channels, YouTube requires that you invest in regular, quality content production and that you build your subscriber base over time.

While everyone would love to have a viral hit tomorrow, it appears that slow and steady is quite capable of winning the YouTube race by delivering a quality, relevant audience for retailer's content. The question is whether your retail organization is committed to doing what needs to be done to build both YouTube content and your YouTube audience as the two work hand-in-hand together.



5.6 YOUTUBE ACTIVITY

84 OF THE HOT 100 RETAILERS WITH YOUTUBE ACCOUNTS



RECOMMENDATIONS FOR SOCIAL ENGAGEMENT

Your social audiences require constant care and feeding if you want them to amplify your brand stories. The care comes in the form of treating them as the individuals they are rather than a mass media audience to be hypnotized by your great creative. The feeding comes in the form of channel-appropriate content that resonates with them and inspires engagement be it likes, shares, comments, pins or tweets.

In taking a look at the 100 fastest growing retailers a few recommendations for improving social engagement come to mind:

1. KNOW YOUR CHANNEL

Know your audience. Facebook fans love to interact with their peers and have their stories shared by brands they love. Pinterest users love highly visual content that inspires them. Twitter followers want to be the first-to-know information about your brand so they can share it with their followers. And YouTube subscribers want to be entertained and informed by your brand. You build these different audiences precisely because they are different. Therefore, don't blast them with content that isn't channel-appropriate.

2. MAKE IT MORE ABOUT THEM THAN YOU

Social media is comprised of people sharing with people. The more you can align your social content with the needs of your subscribers, fans, and followers, as opposed to your quarterly sales objectives, the more it will resonate with them. It may sound counter-intuitive, but social media isn't mass media. You're out to win trust one person at a time.

3. EMBRACE CROSS-CHANNEL PROMOTION

Not every Facebook fan is an email subscriber and vice versa. Give your audiences the ability to hear from you through multiple channels by occasionally promoting other channels within your social networks. Consumers who use each channel for very different purposes may very well take you up on the offer, and your bottom line may improve as a result.

4. EXPERIMENT FREQUENTLY AND OPENLY

Social media rewards transparency and humanity. It also allows you to test new ideas, promotions, and creative with loyal, on-demand audiences. Stay true to your brand, but don't be afraid to bring ideas to your Facebook audience—they aren't shy and sometimes their ideas may help your marketing and product development efforts in other areas.

CONCLUSION

“Effective engagement is inspired by the empathy that develops simply by being human.”

*Brian Solis - Author, **The End of Business As Usual***

The Hot 100 Retailers are obviously doing a lot of things right. They are, after all, the fastest growing retailers in the United States. However, the salad days don't last forever, and smart retailers look to optimize their business before it becomes apparent they need to. That's how true innovators stay ahead of their competition.

With this in mind, we have tried to highlight the opportunities that the Hot 100 Retailers—and all retailers, for that matter—have with subscribers, fans, and followers. These “earned” audiences are assets to be nurtured and grown because of the measurable value they bring to the bottom line. Indeed, it's not a question of whether retailers should optimize their audience acquisition efforts; it's really a question of why they have yet to do so.

Retailers will always have competing priorities, challenging budgets, and shifting strategies. It is our hope, however, that our research exposes some of the “low hanging fruit” in your own organization. Thanks to advances in marketing technology and integration, many of the recommendations we have provided are relatively easy to test and implement using marketing resources alone.

However, if you're not sure where to begin, keep an eye out for ***SFF in Action: Retail Touchpoints Optimized!***, an upcoming companion piece that will showcase how you can leverage ExactTarget to tackle our research-inspired recommendations. With a few measurable successes under your belt, who knows—you may generate returns that help fund the larger improvements you'd like to see to your email, mobile and social media marketing efforts.

So roll up those sleeves and get cracking—better, more profitable relationships with consumers are yours for the taking!

FINAL RECOMMENDATIONS

1. Educate and Incentivize Sales Associates
2. Promote Social Brand Engagement, Not Just Social Presence
3. Reengage Everyone Through Email
4. Mobilize Your Audience Building
5. Make It More About Them Than You

SEE HOW YOUR PROGRAM MEASURES UP

In working with thousands of companies over the last decade, we've seen that the success of interactive marketing programs—regardless of size— requires proficiency in four interdependent dimensions:

STRATEGY:

Do all your campaigns stem from a common strategy?

TECHNOLOGY:

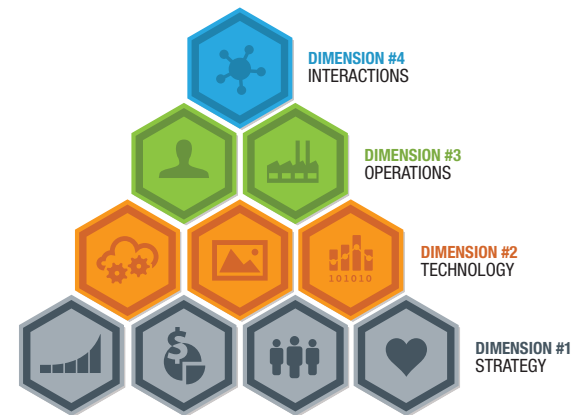
Are you taking advantage of all your customer data?

OPERATIONS:

Is your marketing team operating at peak efficiency?

INTERACTIONS:

Do you seize every opportunity to engage with your customers?



To help you evaluate your skill in each of these dimensions, we've created The Marketing Advisor interactive marketing assessment. This tool will evaluate your current campaigns, resulting in a complete, personalized analysis of how your marketing program measures up, PLUS tips for powering your program forward.

Your personalized results are just a few clicks away. Visit www.ExactTarget.com/MarketingAdvisor to get started today!

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