

blueconic



eBrief

CDP Use Cases in Retail

Inspiring Real-World Examples for Unleashing
the Power of Your First-Party Data

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Introduction

The retail industry is experiencing a shake-up. For decades, retailers have relied on third-party data as the backbone of their customer engagement strategy. It's been the fuel driving everything from targeting ads and personalizing customer experiences, to improving campaign performance, and ultimately, increasing sales and profitability.

But a backlash against the misuse of consumer data has spurred new privacy protections from big tech and governments alike. Google, whose Chrome browser accounts for nearly two-thirds of the world's internet usage, plans to phase out cookies completely in 2024, while Mozilla Firefox and Apple Safari have already done so. In addition, over 120 countries now have national privacy laws in place that regulate how consumer data can be collected and used, with new state bills in the US seeming to pop up weekly.

Running parallel to third-party data deprecation and growing privacy regulations has been the rapid changes in consumer behavior. Online shopping adoption was accelerated by the pandemic, but the pendulum has started to swing the other direction. At the same time, social shopping is gaining in popularity as consumers become more comfortable purchasing products in emerging channels. Between consumer demands for more personalization and greater data privacy, retailers need to offer a compelling omni-channel experience in order to survive and thrive.

All of these factors are resulting in a shift away from third-party data in favor of first-party data that's privacy compliant and offers deeper, more meaningful consumer insights.

The First-Party Data Imperative

Collecting and unifying consented first-party data yields one of the most important assets a retailer can have: a single customer view. When marketing, ecommerce, customer experience, digital product, and other growth-focused teams have access to a unified view of the customer – paired with the tools to activate that data when and where they need it – retailers can deliver highly personalized experiences across all touchpoints that no competitor can replicate.

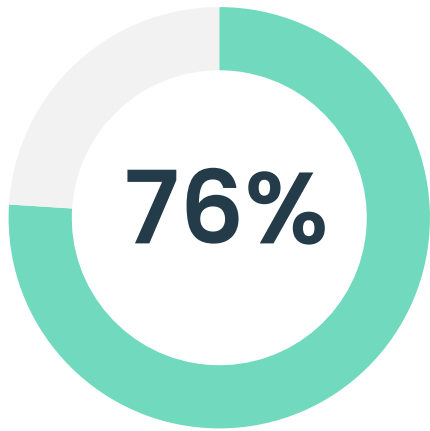
But the benefits don't stop there. A single customer view also helps retailers streamline their business operations – making everything from multi-dimensional segmentation and customer modeling and analytics, to optimizing experiences across customer lifecycle stages more efficient and cost effective. Moreover, retailers can leverage this data to launch audience monetization initiatives that create new revenue streams for the business. In fact, retail media networks (RMNs) built on consented first-party data are among the fastest-growing and most dynamic ad marketplaces.

Fortunately, most retailers are awash in first-party data collected from online and offline sources, including websites, mobile applications, ecommerce portals, POS systems, CRM systems, and more. The problem is the data lives in siloed systems that each have their own unique way of storing data and recognizing customers. Some have invested time and money into a centralized data solution, but it doesn't enable business users to actually do something with the data. They still have to wait on overburdened IT teams or costly external agencies to query and normalize the data, which is often days or weeks old by the time it's ready for use.

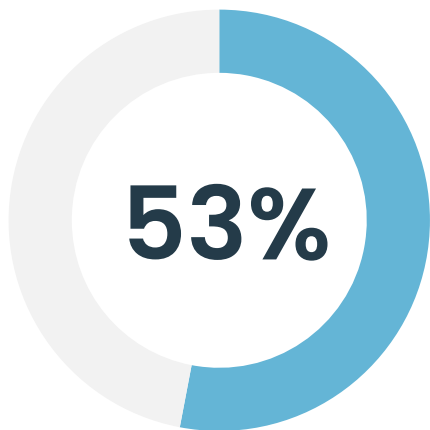
As a consequence, departments across the organization are left to make critical decisions based on a partial view of the customer, creating disjointed experiences that can have a damaging impact on brands.



RMN is expected to grow by 5X in the next 5 years, with a 48 billion USD increase in spend from 2019 to 2024.¹



76% of customers get frustrated when companies don't offer personalized experiences.²



Barely half (53%) of retailers think their digital tools allow them to provide the customer experience they need.³

¹ <https://www.insiderintelligence.com/content/best-buy-launches-in-house-ad-business>

² <https://www.insiderintelligence.com/content/what-you-need-know-about-retail-media-5-charts>

³ <https://www.mckinsey.com/capabilities/growth-marketing-and-sales/our-insights/the-value-of-getting-personalization-right-or-wrong-is-multiplying>

Inspirational Examples: Unleashing the Power of Your First-Party Data

To turn first-party data into a strategic business asset, more and more retailers are embracing customer data platforms (CDPs) for their data unification and activation needs. A CDP like BlueConic serves as the lynchpin to making the single customer view accessible to customer experience, marketing, ecommerce, analytics, and digital product teams for immediate activation.

Yet one of the biggest barriers to making the most of a CDP is understanding the distinct ways a retailer can take advantage of it to achieve its transformation goals.

So, we've compiled several real-world use cases that detail how retailers are using BlueConic to transform their customer relationships and accelerate growth that you can use as inspiration for your own business.

Use Case #1: Get Real-Time Insights to Improve Personalization

BlueConic supports a number of personalization use cases by providing a comprehensive, real-time view of the customer based on data from across their journey. Using the platform's built-in segmentation, personalization, and activation capabilities, retailers can use what they know about each individual to consistently deliver the right messages (and suppress the wrong ones) at the right time, across all touchpoints and in every customer lifecycle stage.



Franklin Sports uses BlueConic to unify all its online and offline behavioral, shopping, and interest data in persistent, individual-level profiles. A single customer view and the business-user-friendly CDP interface make it easy for Franklin to build highly targeted, multi-dimensional segments based on any customer attributes and easily use those segments for on-site recommendations, and to send to its ESP as well as Google and Facebook for targeting.

Franklin uses BlueConic to remove the complexity from its one-to-one personalization efforts. Customers never see ads for products they recently bought and, instead, see ads for related products because they rely on BlueConic segments to be the intelligence engine behind every interaction across the lifecycle.

Now, roughly 90% of the personalized homepage experiences Franklin Sports provides visitors are powered by unified profiles in BlueConic.

— AMERICA'S —
TEST KITCHEN

As a producer of TV shows, magazines, podcasts, cookbooks, and online classes for home cooks, America's Test Kitchen (ATK) sells products and merchandise through its ecommerce site, ATK Shop.

When ATK first implemented BlueConic, its primary use case was to unify more than 10 years-worth of historical data into robust customer profiles to discover how different audiences interact with its brands.

From there, the marketing and ecommerce teams could act on these insights by designing personalized marketing programs and experiences that weren't possible before. For example, it can update ATK Shop pricing in real time, depending on which personalized email offer a customer receives and clicks on to arrive at a particular product page.

To drive upsells and cross sells, ATK also uses BlueConic to serve personalized ads to customers based on the specific items in their cart.

Use Case #2: Manage and Federate Consent to Build Trust

Research shows that 87% of consumers consider trustworthiness and data protection to be nearly as important as price and delivery time. By centrally managing consent and federating it out to other systems and sources, BlueConic helps retailers deliver privacy-led experiences that build trust with consumers while mitigating the financial and reputational risks resulting from non-compliance with data privacy laws.



VF Corp. and its iconic family of lifestyle brands, including The North Face, Vans, and Timberland, sell their products via ecommerce and brick-and-mortar store locations, resulting in a diverse set of customer data across channels and brands. The company adopted BlueConic as its CDP in support of its strategic consumer centricity objectives and to enable activation of data in marketing while addressing its data privacy needs.

Ownership and implementation of BlueConic across individual brand teams is led by a centralized analytics team. This team is using BlueConic to enable use cases related to the company's digital consumer roadmap – starting with a focus on consumer data quality, but also to better understand who their consumers are and how they prefer to be contacted and engaged with while also respecting their data privacy.



This European multi-brand company was worried about managing privacy and consent across its many brands and tools. The business had two consent management platforms (CMPs) to capture consent preferences, but wanted to ensure it was accounting for customers' most recent consent statuses before creating segments and sending them to its marketing and advertising platforms.

With BlueConic, the company can control which profiles are sent to its DMP, ESP, and other delivery platforms based on customers' real-time consent statuses, all while mitigating data risk and avoiding costly non-compliance penalties. If a consumer makes a request, the company can also readily pull a cross-brand profile without having to manually collect the data from multiple sources.

Use Case #3: Create Innovative Digital Products and Experiences that Drive Growth

For retailers, adaptability is crucial for meeting consumers' evolving expectations. By providing easy access to a unified, real-time view of customer engagement, behaviors, customer lifecycle stage, product preferences, and more, a CDP like BlueConic enables growth-focused teams to quickly test and iterate on campaigns, drive product innovation, and more.



Prior to the COVID-19 pandemic, this multinational toy company didn't have strong direct-to-consumer relationships. With most of its products sold through toy stores and big-box retailers, the company needed to come up with a creative way to grow, scale, and meet their consumers where they are.

Collecting and unifying their first-party data in BlueConic put them in a position to focus on a specific consumer segment: collectors of its classic physical products. Leveraging this data, they launched a new digital channel for its high-value collector/ enthusiast consumer base to enrich their engagement and deepen their loyalty.

The pilot was so successful that the retailer has since expanded the digital channel into a full-blown ecommerce site that's not only created a direct relationship with consumers, but also opened up a whole new source of revenue for the company.



To keep up with its rapidly growing and increasingly digitally savvy customer base, this bricks-and-clicks retailer needed new ways to understand and interact with customers. They could no longer exclusively rely on offering premium real-world experiences. It was time to make a shift by offering innovative and valuable digital customer experiences too.

The retailer started by capturing customer attributes in BlueConic profiles. These profiles capture the volume and variety of customer data necessary to support the company's campaign strategies and messaging variation across segments and customer lifecycle stages. They then launched a new digital experience, orchestrated by BlueConic. The experience was responsive to the customer in real time, enabling the company to capitalize on a key moment of engagement by delivering a highly personalized message in milliseconds.

Results showed that customers who engaged with this BlueConic-powered digital experience had a 5x higher customer lifetime value (LTV) than a typical customer.

Use Case #4: Unify Online and Offline Data for a Single Source of Truth

Retailers with both a digital and physical presence can't solely rely on online customer data to inform their engagement efforts. To create omnichannel experiences, they must also factor in offline data from other systems (e.g., POS, CRM) to ensure they have a complete, up-to-date history of all individuals' interactions with their business. Thanks to its ability to connect with all other business technologies, including those that store offline transactional data, then transform that data, a CDP helps retailers gain a true single customer view that accounts for all online and offline interactions individuals have with them.

LOVESAC

The furniture chain put BlueConic at the center of its tech stack to drive smarter customer engagement across the entire customer lifecycle. By leveraging multiple data points and website behavior into one profile, along with identifying and converting anonymous web visitors, they're able to increase personalization, enable dynamic segmentation, and execute real-time interactions with specific profile attributes that previously lived in a siloed state.

The unified first-party data is enabling teams like retail operations, marketing, and customer service to work with a single view of the customer to best facilitate the customer journey – whether they are coming to them on the website, on the showroom floor, or via customer service channels. Lovesac is also creating operational efficiencies with BlueConic and using it cross functionally to improve the overall customer experience.

Use Case #5: Boost Agility and Resiliency to Capitalize on Sudden Changes in Market Conditions and Consumer Behavior

The COVID-19 pandemic and its impact on consumer behaviors reminded retailers everywhere of the importance of having teams and tools that allow for flexibility and speed in response to market changes. With a CDP like BlueConic that can flex to the unique data needs of retail companies, teams across the organization can be nimbler in their day-to-day, take advantage of new opportunities, and make adjustments to personalized messaging and programs faster when the unexpected inevitably arises.



This European bicycle manufacturer sells most of its bikes through a network of dealers and bike shops across Europe. Because they are so reliant on in-store foot traffic to move product, the company knew they needed to establish a direct-to-consumer (DTC) strategy in a hurry when its dealerships were forced to close their doors during the pandemic.

Within one week, the company was able to build an ecommerce store and use it to collect consented first-party shopper data, deliver personalized experiences, and ultimately direct consumers to a local dealer to make an online purchase. In this way, the company was able to support its dealers while developing direct relationships with consumers at the same time. Moreover, the company was able to run analytics on the first-party data they collected and use it to provide local dealers with insights about market demand in their region. As a result, the dealerships are able to stock their showrooms accordingly – driving more revenue for both the dealers and the manufacturer alike.

Use Case #6: Reduce IT/Agency Dependencies to Drive Operational Efficiency

Limited access to internal technical teams is common in retail companies, and highly specialized resources to support omni-channel initiatives can be hard to source. CDPs like BlueConic empower non-technical business users with dynamic segmentation capabilities and out-of-the-box artificial intelligence tools to run advanced analytics, make real-time product recommendations, and identify the next best touchpoint for consumers, without having to sit in a lengthy IT queue or outsource to expensive outside agencies.

MOEN[®]

Before implementing BlueConic, the leading faucet brand in North America relied on an external agency every time it wanted to pull customer data for a new Google or Facebook audience segment. Each time, it would cost the business thousands of dollars. What's more, it would take several weeks for the segment to be delivered for marketing activation. Because the end-to-end process of building and activating a segment would take so long and cost so much, the company's marketing team defaulted to requesting broad segments that would likely reach a lot of customers but lacked granularity.

Now, a non-technical marketer can log into BlueConic and define a new segment in 30 seconds to immediately see how many customer profiles fit the criteria. From there, they can immediately send that segment to Google and Facebook using BlueConic connections. For the first time, they can test new personalized ad experiences and micro-target at scale — and all without having to rely on an agency.



This boutique retailer's marketing team had limited in-house analytics resources and skills. By unifying online and offline data into BlueConic and leveraging the platform's machine learning capabilities, the retailer ran models to calculate customer lifetime value (CLV) and recency, frequency, monetary value) RFM scores without any additional analytics resources. It then uses those scores to build dynamic segments that are automatically passed to its advertising platforms for immediate activation – eliminating the time spent manually uploading lists to Google and Facebook for ad targeting.

The team is even able to build and distribute customer insights dashboards to in-store associates. Because the underlying data is already unified in BlueConic, these dashboards are updated and sent to associates weekly – and with minimal effort. Individual store associates not only use those insights to engage their high-value customers, but also optimize product inventory based on their preferences.



The marketing team at this leading bricks-and-clicks retailer needed a more efficient way to uncover and act on customer insights on their own. Additionally, they needed a better way to act on the propensity scoring outputs of the data science team while applying a rigorous and rapid test-and-learn approach to marketing segmentation.

In addition to capturing the hundreds of customer attributes that are essential to achieving the retailer's activation use cases, the customer profiles in BlueConic also calculate propensity model scores developed by the data science team. By having these scores available as attributes in profiles, the marketing team is using them to define segments.

Customers are targeted with (or suppressed from) messaging in real time based on their individual propensity score combined with other profile data in the moment. Activating scores through BlueConic segmentation means the marketing team can quickly test and learn what's working, and the data science team can continuously refine propensity models for optimal segment performance.

Use Case #7: Orchestrate Bespoke Customer Experiences to Drive Engagement in the Moments that Matter Most

Marketers and customer experience teams are often handcuffed by rigid, rules-based campaign workflows in their activation technologies (e.g., campaign management platforms, ESPs, personalization engines). A CDP like BlueConic frees business users from these limitations by enabling them to orchestrate cross-channel lifecycle marketing programs that are responsive to each customer's unique journey based on the real-time, unified customer profile data at the platform's core.

BOB'S DISCOUNT **FURNITURE**

Prior to implementing BlueConic, the marketing and ecommerce teams at Bob's Discount Furniture didn't have access to the transactional data stored in the company's IT-owned ERP. Additionally, they were heavily reliant on event-stream data that limited their view of customer behaviors to a 90-day window. As a result, the retailer was missing an opportunity to activate its first-party data in ways that would deliver better customer experiences in every lifecycle stage.

With BlueConic, the retailer is able to consolidate all its online and offline customer data as well as transactional data from its POS and ERP systems into unified customer profiles. Because the data is persistently stored in these profiles, the ecommerce and marketing teams can now build multi-dimensional segments that support both short- and long-term lifecycle marketing strategies.

For example, the retailer can now execute upsell lifecycle marketing programs that enable it to engage an individual customer across channels with personalized messaging promoting a toddler bed based on the fact this customer bought a baby crib two years earlier.



To increase repeat purchases and engagement among loyalty program members, this brick-and-click retailer's data science team used their analytics tools to conduct a churn analysis that uncovered a critical new insight. A significant number of loyalty program members were at risk of churning within a year after their first purchase, which also typically aligns with the date they became a loyalty member.

With this new insight, the company's lifecycle marketing team used BlueConic Lifecycle Insights to measure the effect of new customer lifecycle marketing experiences specifically designed for first-year loyalty members. Through a combination of BlueConic Dialogues and analytics capabilities available in the platform, the team maintained randomized test and control groups to validate the incremental benefit of marketing messaging across three variants. Then they optimized accordingly.

The ability to apply a rigorous test and control approach to measuring the effects of a new customer lifecycle marketing experience was entirely new for the company.

Results revealed that optimal messaging variants drove 6x higher customer engagement and 4x more purchases than the holdout group.

blueconic

Amplify Your First-Party Data

Learn how to transform your relationships with consumers and unleash business growth with our customer data platform.

[Request demo](#)



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