



Customer Engagement Awards
2012

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10 Retailers Receive Customer Engagement Awards

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Customer engagement is the cornerstone of success in today's challenging retail environment, because shoppers are more empowered than ever and are demanding the right products at the right price, available when and where they desire. Retailers have been hard at work formulating and implementing unique and creative strategies to appeal to today's savvy shoppers, and Retail TouchPoints is honoring 10 of those innovators with Customer Engagement Awards.

Each of the 10 winners has taken the initiative to reach above the fray to bring a higher level of service to their current and prospective customers. The award winners are ahead of the curve and are achieving business success in this increasingly competitive and challenging marketplace.

Through a nomination process, the winners were selected based on, but not limited to, four specific criteria:

1. Unique shopping/promotional offerings
2. Customer engagement strategies
3. Customer analysis
4. Technology innovation

Winners include both large, national retailers and smaller, regional companies, as well as one international selection. Award recipients also vary in products and services offerings, from apparel and outdoor gear to office supplies, mobile phones and quick-service food.

The winners include:

- 8ta
- Casual Male Retail Group (CMRG)
- David's Bridal
- Foot Locker
- Hot Topic
- Inkjet Superstore
- Moosejaw
- Rutter's Farm Stores
- Tasti D-Lite
- Urban Outfitters

Category: Digital Technology Winner: 8ta

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In October 2010, **One Digital Media** launched a new digital store concept for 8ta, the mobile brand from Telkom South Africa, in close cooperation with their store designers. Store windows were transformed into so-called whispering windows that play sound as customers approach the window screen. By touching the screen, passersby can compare products, or enter their details and voice or data specialist will call them back to address any queries and sign up new contracts. The technology thus enables 24/7 shopping, even when the store is closed.

The video wall is comprised of smaller screens tiled closely together, forming one virtually seamless large screen. The screens allow for synchronized content across tiles and customizable tile layouts, enabling creative content and messaging configurations. In addition, viewers can learn more about the products on offer via interactive touch tables, with touch screens 'integrated' in free-standing tables. The table touch screens detail all the handsets available in store, including related contract prices, prepaid prices and phone specifications. The touch screens also enable customers to compare different models of handsets, thereby allowing for a more informed choice when purchasing a cell phone.

Moreover, the so-called 'pick-and watch' solution allows customers to simply pick up a specific mobile handset, with the related deal information being displayed on a large connected screen. Each store features 6 of these large screens next to one another.

The digital in-store medium can result in substantial efficiencies for brands and stores, as the content on any of the screens can be changed remotely at the touch of a button, making real time marketing a reality.

Via its various in-store digital innovations, 8ta engages shoppers in a unique way inside and outside its flagship stores. The stores haven't lost the human element though, as voice and data specialists are available in-store to assist customers with their queries, and a technical assurance team assists customers with setting up phones and internet connectivity.

All customer touch information is accurately captured, giving 8ta access to valuable customer intelligence such as product preferences and popular product combinations on store, regional and/or national level.

Category: Merchandising / Assortment Optimization
Winner: Casual Male Retail Group (CMRG)

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During 2011, CMRG leveraged technology innovation using **QuantiSense** as their platform for business transformation while launching a completely new store format— DestinationXL. With 19 Destination XL stores opened by the end of 2011 and 30 more stores planned in 2012, CMRG has found a profitable formula and even gained industry recognition as MR Magazine's 2011 Retailer of the Year. CMRG uses QuantiSense to make merchandising decisions for this new store format, providing answers to the complexity of a completely new merchandising hierarchy (with overlapping products to legacy brands, which complicated year-to-year analysis) on top of the local assortment challenges CMRG faces serving a very unique customer.

As the largest specialty retailer of big and tall men's apparel, CMRG has an extreme need to optimize localized assortment. With nearly 500 stores that carry 72 different sizes of pants alone, CMRG relies on powerful retail analytics from QuantiSense to optimize style assortments and maximize margins by ensuring they have the right products available at the right price, and the right time.

Additionally, following the implementation of a new BI platform from QuantiSense and Microstrategy, Casual Male Retail Group (CMRG) is able to generate exception reports on-demand, navigate through the most relevant information on a platform dashboard and easily drill down for details. Using a sizing tool in the QuantiSense application, CMRG can now easily evaluate the clothing sizes stocked in individual stores and allocate appropriately.

The combined solution includes personalized dashboards, exception reporting and QuantiSense Playbooks, which are designed to capture retail best practices and guide users to take real-time action to improve business processes.

Prior to the implementation, the CMRG IT team spent numerous days collecting data and importing it into spreadsheets for weekly reports. With the new system in place, that process takes only minutes. With the ability to generate exception reports on demand, users can tap into the most relevant information at a moment's notice.

Category: Supply Chain ✂ *Winner: David's Bridal*

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The real-time inventory communication that occurs between **Manhattan Associates'** Distributed Order Management (DOM) and Warehouse Management (WM) systems has helped David's Bridal improve DC operations. Instead of waiting for overnight batch updates to inventory, workers can now pick and put away orders as soon as inventory is available.

Manhattan's DOM centralizes all orders into one repository for enterprise-wide fulfillment. It also provides a more accurate, global picture of inventory and helped the company improve customer delivery times; boost inventory accuracy and productivity; and increase warehouse performance.

And if something goes wrong within the supply chain, threatening a delivery date — and wedding-day bliss — DOM provides timely alerts so that David's Bridal can step in and take action. With the improved visibility DOM provides, the company can come up with solutions such as asking a manufacturer to ship items overnight instead of via ground delivery, for example.

In addition, because DOM is integrated into the WM system as well as the Manhattan replenishment solution that David's Bridal uses, it provides a more accurate picture of inventory.

Another key aspect of the happy David's Bridal-DOM marriage is the solution's ability to help the company with its vision for the future. David's Bridal's e-commerce operation has seen significant growth since the implementation of DOM.

David's Bridal is exploring a new fulfillment option that DOM makes possible. Instead of continually creating a new purchase order, the company is exploring the option of using in-store inventory to fulfill some orders.

David's Bridal first implemented Manhattan's warehouse management (WM) solution in 1999 and recently upgraded to the 2011 version to automate its distribution processes and improve order accuracy. The company is also planning to install DOM's distributed selling module to enhance e-commerce customer service. This module will allow the David's Bridal online customer service staff to quickly and efficiently execute tasks such as replacement orders and return merchandise authorizations.

Category: Cross-Channel CRM ✂ *Winner: Foot Locker Inc.*

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CRM has buy-in from the executive level at Foot Locker Inc. and is a major focus within the organization. Foot Locker Inc. uses the **Epicor Retail** CRM solution and feeds in customer and transaction data from both brick & mortar and E-commerce stores. Extensive reporting is done on a regular basis looking at the following metrics: sales, enrollment, retention, migration to higher level membership of loyalty program, operating profit, ROI of reward cards, sales of launch products, sales of exclusive product, cross-channel analysis and demographics. The various loyalty programs are executed using the above mentioned CRM system including point accumulation and reward redemptions.

In 2011 Foot Locker Inc. conducted surveys and focus groups with loyalty members, resulting in goals on how to improve customer engagement with the five Foot Locker brands. Foot Locker Inc. found that their customers were looking for more unique content as well as access to exclusive products. The Foot Locker brand responded to this demand by having top sneaker bloggers write content for the footlocker.com/unlocked web site. The Footaction brand responded by adding unique content at least once a day on their members only web site. Examples include: interviews, field tests, music and pop culture. Lady Foot Locker has done the same with their Brand Ambassador Lacey

Schwimmer (currently a professional dancer on the hit show *Dancing with the Stars*). Schwimmer has filmed exclusive exercise tips to help promote a healthy and active lifestyle with women in a fun way for the Lady Foot Locker web site.

At the same time, Foot Locker loyalty members have a chance each week to win various prizes and have exclusive access to free downloads (wallpapers, playlists, calendars, etc). Members enjoy access to newly launched products in addition to exclusive products. Contests for members have also been launched including one called "Foot Locker's Ultimate VIP Room Sweepstakes." The sweepstakes was advertised by e-mailing members, posted on Facebook and featured on the landing page of footlocker.com. Lady Foot Locker offered a truly customized sweepstakes for consumers. Some of the sweepstakes in the past included a personalized fitness program and a private dinner party for 4, and advertised the same way as Foot Locker's contest.

Category: Mobile CRM ✂ *Winner: Hot Topic*

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Hot Topic has effectively leveraged mobile messaging to drive top line and incremental sales online through their existing eCommerce store. Their cross-channel campaigns were well received by shoppers. They were able to generate approximately 10x increase in revenues with mobile + email campaigns, as compared to the same consumer segment receiving email-only campaigns; this translated to a substantial 15x increase in Return on Investment (ROI). With direct CRM integration, Hot Topic is expected to continue to deliver dynamic, highly-targeted mobile campaigns to its shoppers.

After testing mobile as part of its CRM strategy during the Holiday 2010 season, Hot Topic gradually grew its mobile efforts during 2011. During the past 6-12 months, Hot Topic gathered campaign results and evaluated the effectiveness of each channel: email, mobile, and a combination of the two. Hot Topic found that mobile messaging, deployed in addition to email, increases overall purchase intent and activity. Moreover, it leveraged customer analytics to study shopper behavior and response rates; this allowed Hot Topic to develop marketing campaigns with the optimal time of day, and day of week, for all participating channels.

Hot Topic's mobile + email campaigns had a significant increase in customer engagement. This successful strategy was attained through the implementation of A/B testing whereby the company offered both email-only campaigns and mobile + email ones. The campaign results from the mobile channel point to a large boost in customer response rates, and hence in sales, which was confirmed in subsequent similar campaigns.

Hot Topic is a mall and web-based specialty retailer in the U.S. and Canada, selling music and pop culture-licensed merchandise. The company operates more than 650 Hot Topic and Torrid stores. Hot topic recently implemented very successful cross-channel campaigns combining mobile (SMS) and email marketing. Hot Topic offered its shoppers different types of promotions from free shipping to discounts when spending a minimum amount on merchandise.

Category: Social Media Marketing / Winner: Inkjet Superstore

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Inkjet Superstore has implemented a social Q&A application that runs on the product detail page of the retailer's web site. Provided by **TurnTo Networks**, the application allows shoppers to ask questions and receive responses from other shoppers or store staff, depending on the nature of the question. Customers also can email social questions (i.e. those looking for an answer from real customers rather than store staff) to any past customers who actually bought the item that the shopper is considering (rather than just posting it on the site or asking reviewers). Past customers link back from these question emails to provide answers, resulting in far more answers that arrive far faster than with other approaches. The shoppers asking questions convert at a higher rate, past customers are brought back to the site to provide answers, and the dialog between them is available to future customers. The dialog also is indexable on the item pages for SEO.

The Q&A application has been live on Inkjet Superstore since mid-September 2011. TurnTo Networks is the vendor providing the Q&A system, and the integration was completed by **SuiteCommerce** (www.suitecommerce.com).

To tie the application into the loyalty program, Inkjet Superstore provides points for questions and answers, redeemable for discounts on future purchases.

Following are some key statistics from Inkjet Superstore's use of TurnTo:

- Shoppers who interact with TurnTo (asked questions or read Q&A from others) converted at a rate 80% higher than those who didn't. That's especially significant given that Inkjet Superstore is a replenishment business with a very high repeat customer rate and a very high conversion rate.
- The average order value (AOV) of shoppers who interact with TurnTo is 14% higher than the AOV of those who don't.
- Loyalty: past customers who come back to the store to answer a question go on to make another purchase at a rate 50% higher than the store's already high baseline conversion rate.
- Social questions about popular items receive 4-5 social answers each (i.e. from past customers, not store staff) on average, with the first one arriving 3-4 hours after moderation. 95% of these questions receive at least one social answer.
- 16% of all items purchased receive a "check-out" comment through the Purchase Sharing application. Sentiment on these comments is 99% positive.

Category: Cross-Channel Social Networking / Winner: Moosejaw

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Moosejaw uses social media to connect with customers and employs full-time staff to monitor and respond to customers interacting with the brand on Facebook and Twitter. The company uses Facebook to showcase a digital catalog that's tied to its online store and leverages social networking capabilities extensively. Through customer reviews and social media, for instance, a customer looking for a tent suitable for use at 20,000 feet and 20 below zero can get product feedback from someone who has actually used that tent on Mount Everest or K2 instead of simply searching a catalog or web site.

Moosejaw has created a seamless, interactive, community shopping experience across every sales channel. Customers can interact with staff and with other customers on the Moosejaw web site and then connect those threads on their mobile phones and when they come into Moosejaw's retail stores. Moosejaw mines customer sales data and reviews browsing behaviors using business analytics and reacts immediately to what is revealed.

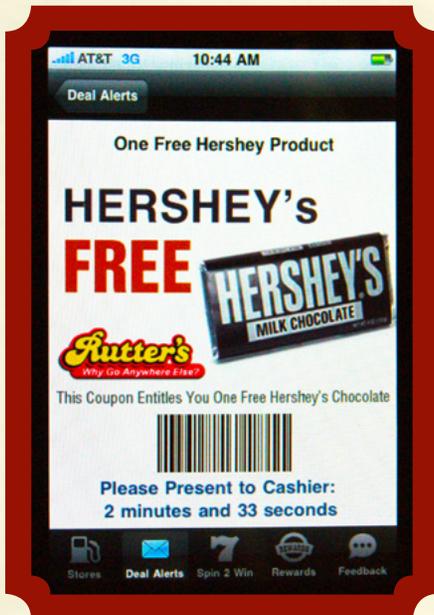
The retailer surveys customers to identify the strengths of the website, the mobile site or its social

channels. This work not only reveals what's important to customers — for instance, its rewards program and customer reviews — but also what programs/promotions are working. Moreover, the retailer sends texts and e-mails to customers. It has been known to receive a 42% response rate or get more than 2,000 responses in the first two days.

To further promote a better customer experience, Moosejaw has implemented **CrossView's** handheld mobile POS in each of its stores throughout the Midwest. The merchant plans to outfit all of its new stores with the handheld technology as it expands into more markets over the next 12 months. Based on the Apple iPod Touch, the device is tightly integrated into the retailer's CrossView cross-channel commerce platform — no different from the call center, freestanding POS systems and the company's web store. The mobile POS makes it so simple to access product information that sales associates can sell items sight unseen, ordering merchandise from inventory in the warehouse. This translates into a much higher return on investment per square foot of retail space.

Category: Mobile Applications / Winner: Rutter's Farm Stores

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Rutter's, a convenience store retailer with 56 stores in Pennsylvania, is continually looking for a way to generate brand awareness in creative and fun ways. The most recent example of this is the Spin and Win mobile game on the Rutter's mobile app. A virtual slot machine, Spin and Win offers 20 free spins each day, and gives gamers the chance to win free products in Rutter's stores, or additional spins to continue playing. Introduced in April 2011, Spin and Win continues to grow in popularity each week. Spin and Win offers a unique opportunity for customers to compete with each other to sit atop the game's leader board.

Rutter's launched its mobile application in 2009, in a partnership with Open Store by **Gas Buddy**. Accessible to iPhone, Blackberry and Android users, Rutter's mobile app gives its users real-time access to Rutter's gas price listings by store and grade. In addition, the app's store locator incorporates GPS technology, which highlights individual stores based on the location of the user. To highlight the varied offerings among the 56 stores, each store location has its own web site. This makes each location's individual store offers accessible through Internet search engines, which has greatly enhanced Rutter's online and in-car navigation system visibility.

Rutter's mobile app works in conjunction with its loyalty program, which rewards customers with cents off of gasoline purchases for qualifying in-store purchases. After registering, cardholders are then eligible to win prizes through loyalty contests like the "Register, Scan and Win" promotion and the "Fuel Up Free" summer gas giveaway.

App users can choose to receive digital coupon offers, which are sent through the mobile app and can be redeemed by scanning the bar coded offer from the smart phone screen. The offers can be general and sent to every app user, or can be tailored to complement individual shopping preferences.

Another unique aspect of the partnership with Open Store by Gas Buddy is the Customer Feedback Manager, which is integral to Rutter's successful administration of customer inquiries. Comments, questions, compliments and suggestions are submitted by customers through the mobile app, individual store web sites and Rutter's corporate web site.

Category: Loyalty ✂ *Winner: Tasti D-Lite*

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Tasti D-Lite brought on pcAmerica to design and develop additions to the chain's **Restaurant Pro Express** point of sale system, in order to promote brand awareness in an innovative fashion. Tasti D-Lite, a frozen dessert franchisor with 60 locations throughout the U.S. and abroad, was using a manual “punch card” as a loyalty card that was tedious, unreliable and suffered limited adoption as a result of franchisee mistrust. They defined a goal of moving to an electronic system that was automatic, customer-centric and widely adopted by franchisees. pcAmerica enhanced their Restaurant Pro Express software to integrate with a multi-site loyalty platform from **Mercury Payment Systems**. In addition, pcAmerica built the online <http://myTasti.com> web portal for cardholders to view their balances online.

The revamped TastiRewards loyalty plan is expected to provide a permanent boost in sales for the Tasti D-Lite stores. Customers are awarded points for each purchase and also receive a free frozen dessert on their birthday. As a result, customer participation in the new TastiRewards program is expected to encourage existing customers to return more frequently and will further increase the word-of-mouth referrals that will draw in new customers. The specials and coupons

posted to the social network sites of Tasti D-Lite's customers provide awareness of their desserts and stores to those customers' friends and followers.

Through the new integration, bonus points and birthday rewards can now be earned and redeemed on a global basis at all participating locations regardless of franchisee ownership. Detailed reporting is now accessible on all of this activity. Nearly all U.S. Tasti D-lite locations now use the same pcAmerica POS system with integrated credit, gift and loyalty programs from Mercury.

Upon each loyalty transaction, Restaurant Pro Express and the pcAmerica-developed myTasti.com web portal automatically posted customizable, fun messages to the social networks of their customers. These messages, viewable by the friends and followers of Tasti D-Lite's, motivate customers to come in and try a frozen dessert at one of their locations. pcAmerica's efforts provided a boost to Tasti D-Lite's online presence, and on an ongoing basis increases their brand awareness and helps them attract new customers — essentially providing Tasti D-Lite with an affordable, specially targeted marketing engine to reach customers in a very personal fashion.

Category: Mobile POS ✦ Winner: Urban Outfitters

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In order to bring the interactivity, speed and convenience of the online experience to customers in its brick-and-mortar stores, Urban Outfitters implemented **Starmount's** mobile-selling assistant, Starmount Engage. Deployed on the Apple iPod Touch, this mobile POS reduces transaction time and reduces lines while delivering more personalized customer service from point-of-interest to point-of-sale by giving store associates full transaction capabilities anywhere in the store.

“Our customers have come to expect a differentiated shopping experience, and the cross-channel mobile tools Urban Outfitters is deploying will help bring the interactivity, speed and convenience of the online experience to our brick-and-mortar stores,” said John Devine, Executive Director of Information Technology for Urban Outfitters, in a company announcement. “With **Starmount's** mobile POS solution, our sales associates are freed from behind the cash wrap to interact with customers at the point-of-interest, enhancing customer service.”

Urban Outfitters also recently implemented other key customer engagement strategies:

In August 2011, Urban Outfitters took its online catalog to Facebook with an interactive campaign to let the company's nearly 850,000 Facebook

followers click through looks from the fall catalog. Fans viewed a page with an image of a model wearing several pieces of Urban Outfitters apparel. Scrolling over each item revealed a pop up with the name of the item; clicking on that item name took customers to that page of Urban Outfitters' online store.

Urban Outfitters also engages customers by offering content of interest outside of apparel, such as streaming previews of upcoming albums or organizing live music events.

Customer Analysis: Late last year, Urban Outfitters launched a CRM retail database based on getting consumers to opt in and offer up their information — and not through a proprietary charge card.

In October 2011, Urban Outfitters began using a sales chat program integrated with Facebook and Twitter to allow agents to assist online shoppers making purchase decisions. The program even allows for online brand enthusiasts to engage in chats with customers, answer and ask questions and make genuine recommendations.

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