

February 8, 2012

 #SocialCEM

“Socializing” The Retail Experience

Customer Experience Management —
Born Reporting, Reborn Social

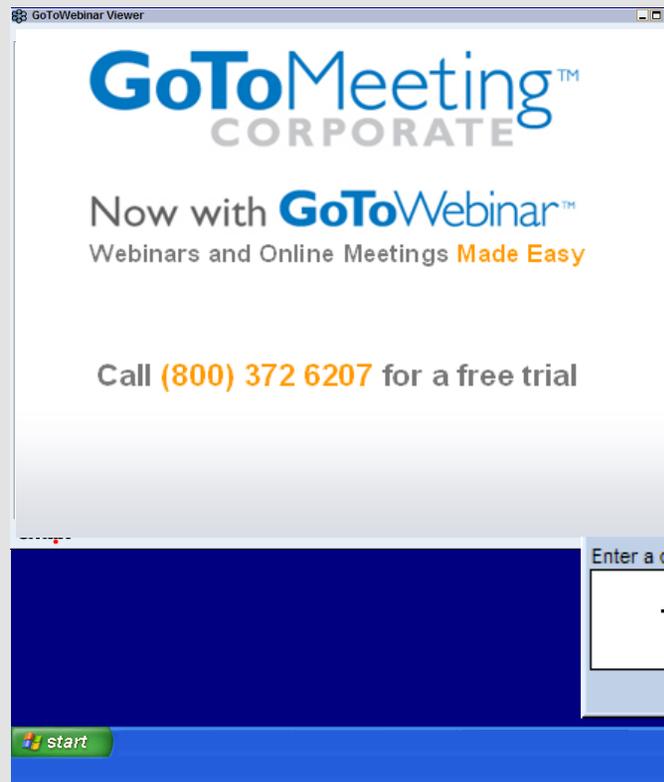
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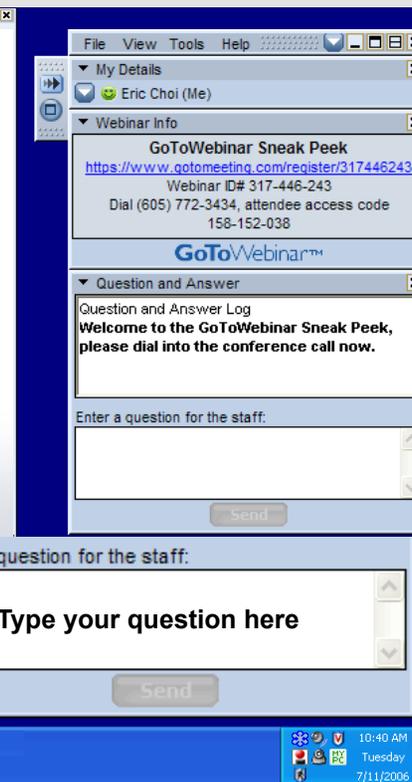
Welcome to the Webinar

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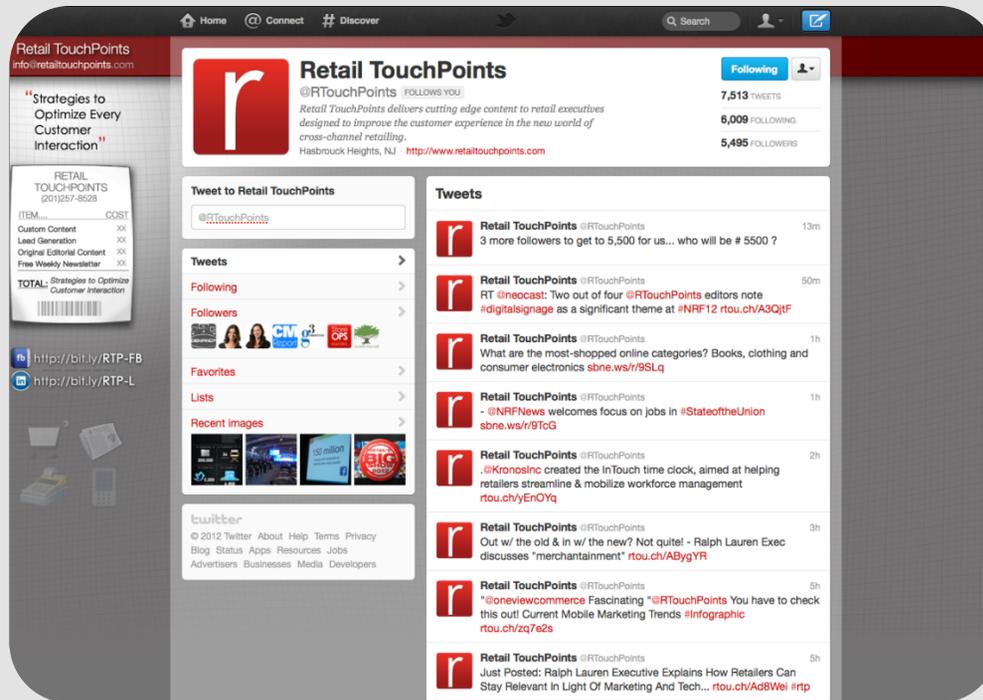


2. Control Panel



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About Retail TouchPoints

- ✓ Launched in 2007
- ✓ Over 20,000 subscribers
- ✓ To provide executives with relevant, insightful content across a variety of digital medium

Free subscription to our weekly newsletter:
www.retailtouchpoints.com/signup

The screenshot displays the Retail TouchPoints website interface. At the top, the logo reads "retail TouchPoints" with the tagline "STRATEGIES TO OPTIMIZE EVERY CUSTOMER INTERACTION". A navigation bar includes links for Home, Subscribe, Events, Community, Resource Center, About Us, and Contact Us. A search bar and social media icons (Twitter, Facebook, LinkedIn, YouTube, RSS) are also present. The main content area features a featured article titled "Ralph Lauren Executive Explains How Retailers Can Stay Relevant In Light Of Marketing And Technology Shifts" by Alice Fiorilla, dated Wednesday, 23 January 2012. The article includes a video player showing a man speaking. To the left, a sidebar lists various content categories such as Topics (Mobile, Store Operations, Cross-Channel Strategies, Shopper Engagement, Retail CRM, Industry Insights), Special Features (Solution Spotlight, Executive ViewPoints, News Briefs, DataPoints Of The Week), Podcasts (TouchPoints TV, TouchPoints Radio), and Webinars (The Connected Consumer, Delivering a Legendary Customer Experience Through Your Workforce, Socializing the Retail Experience: Customer Experience Management - Born Reporting, Reborn Social). A "Business Analytics FOR DUMMIES" e-book download offer is also visible. The bottom of the page features a "RETAILS BIG SHOW 2012" logo and a "Weekly News Briefs" section with links to various industry news items.



#SocialCEM

empathica
we speak customer™

retail
TouchPoints

Panelists



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MODERATOR



Debbie Hauss
Editor-in-Chief
Retail TouchPoints

We **believe** *that*
everyone
deserves to
love *where*
they work,
shop and
dine.



Agenda

1

The Evolution Of Retail

2

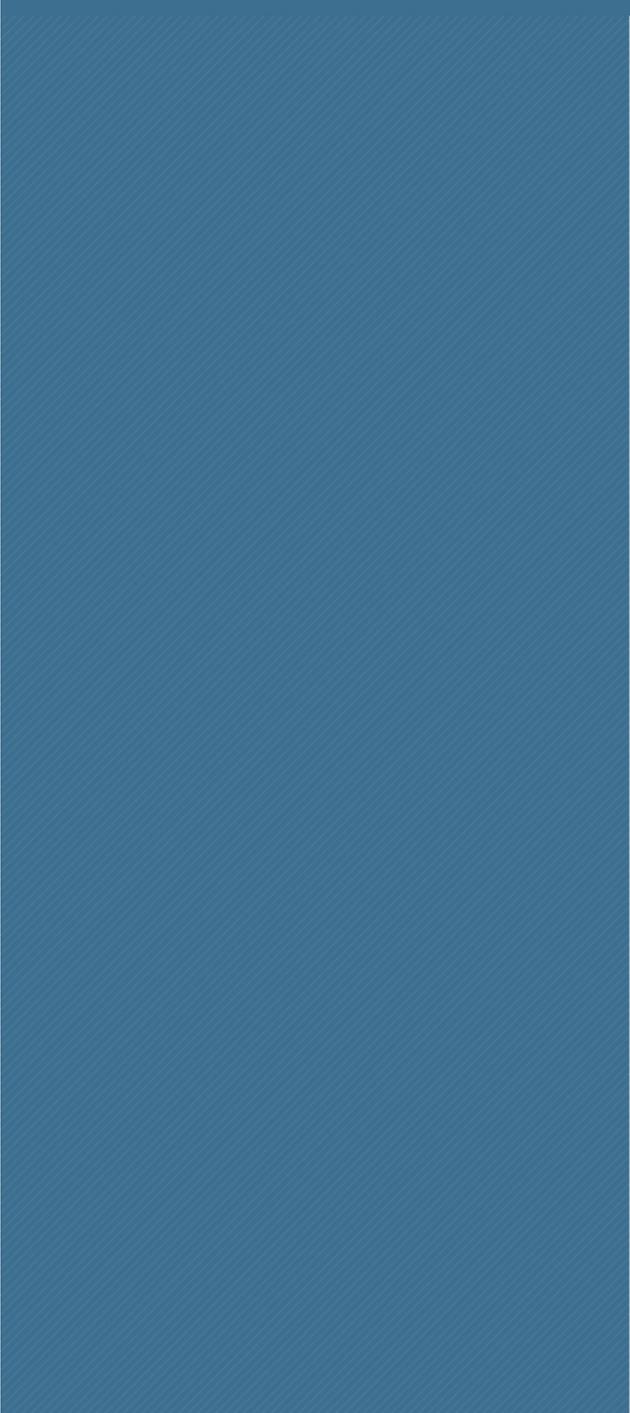
Retailers Turning Back the Clock

3

New Consumer Behavior

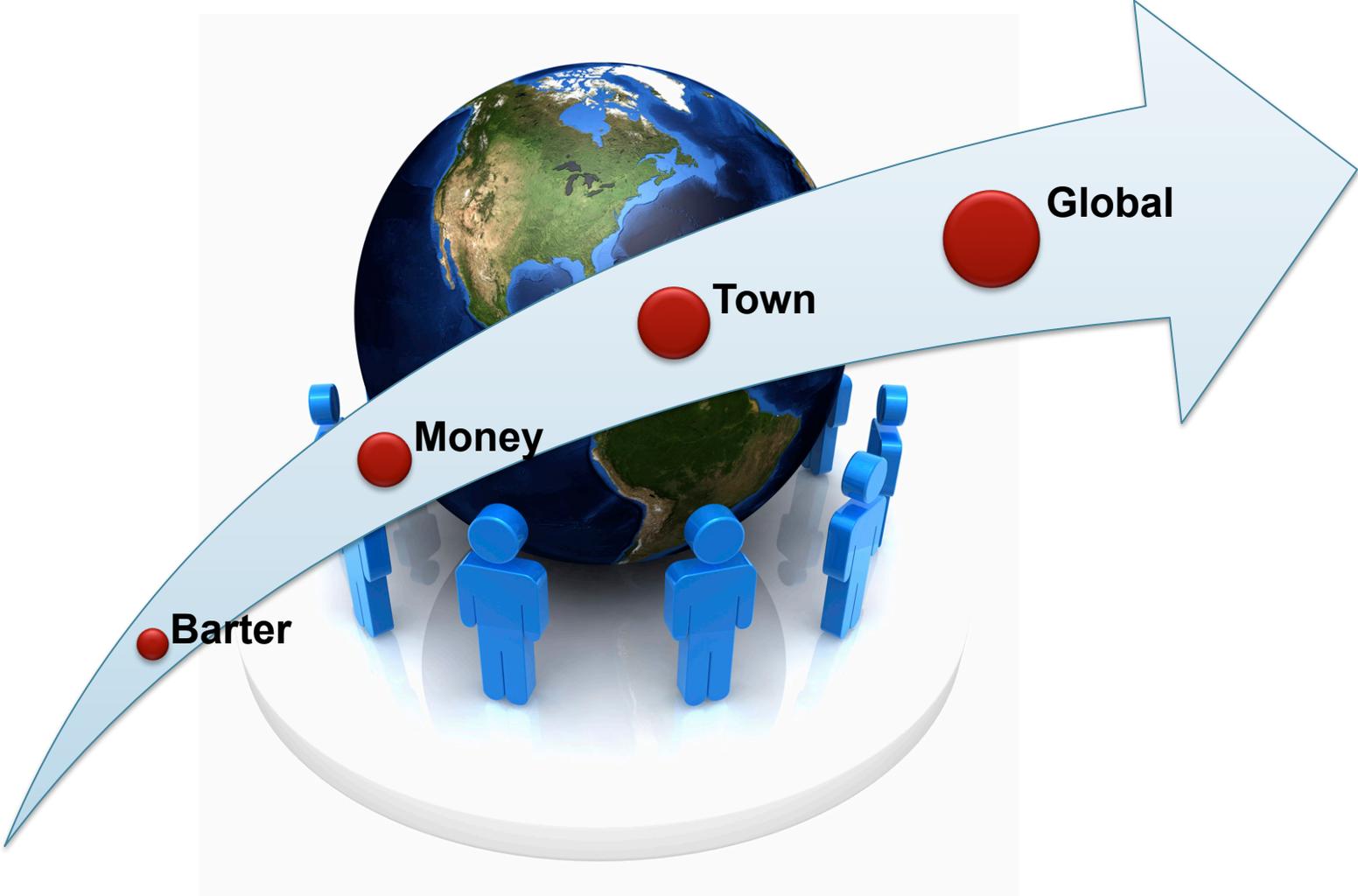
4

Socializing the Customer Experience



The Evolution of Retail

Commerce Then To Now



Barter Economy

Close relationships

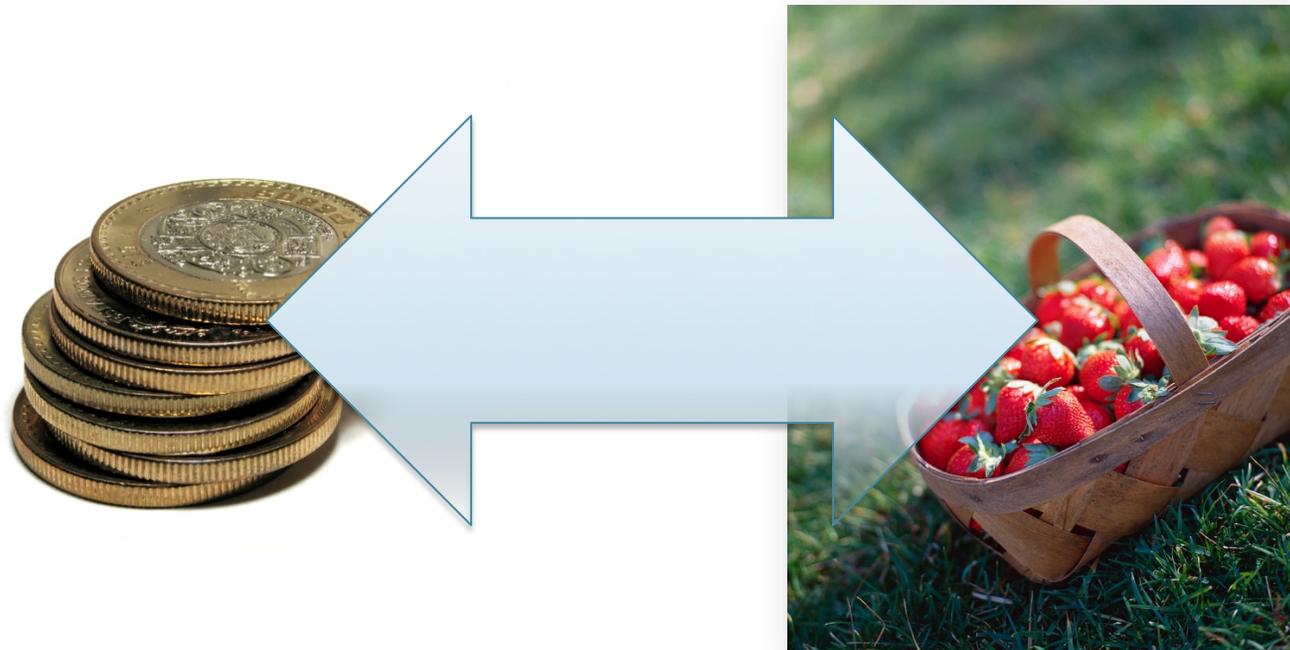
Mutually beneficial goods “Quid Pro Quo”



Money Economy

Less need for deeply personal relationships

Money acts as a common medium of exchange



Town Economy

Creation of supply chain
Direct relationships become local roles

Global Economy



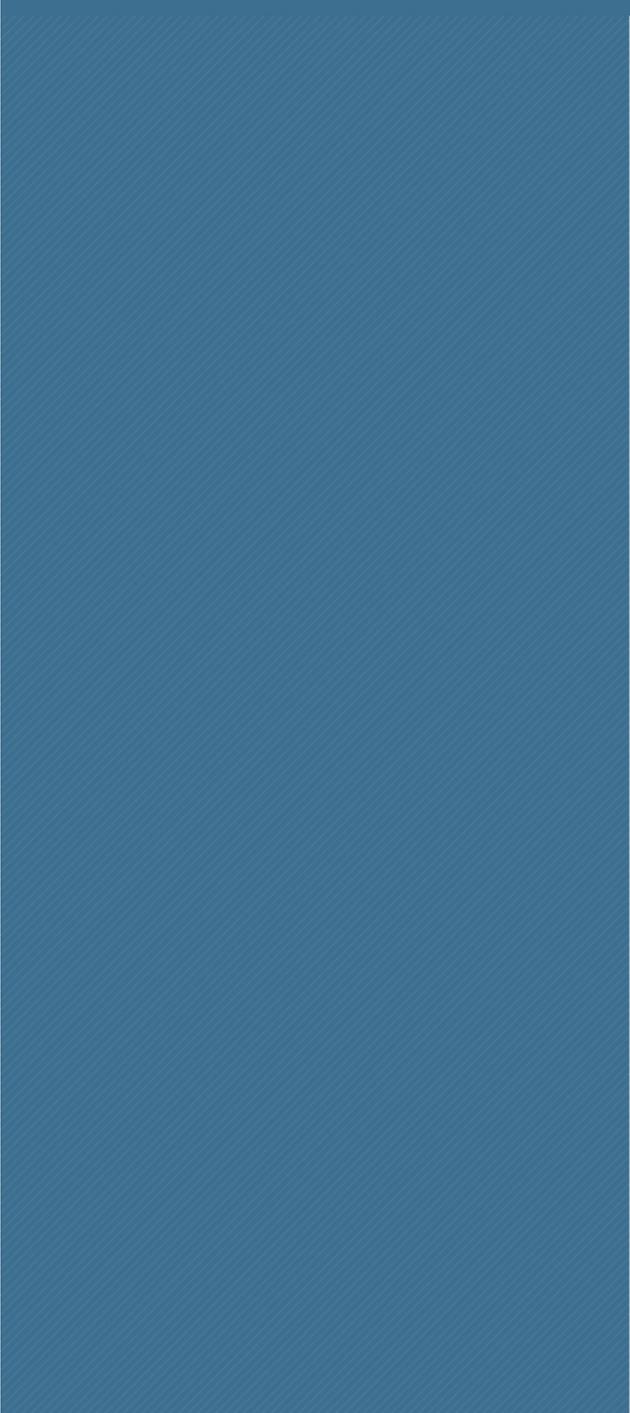
Trade roles become
institutionalized
Consumers have become
“personas” not people

The Result is Retailers Have Lost Touch



Time to go Back to Basics





Retailers Turning Back the Clock

Rebuilding Lost Relationships

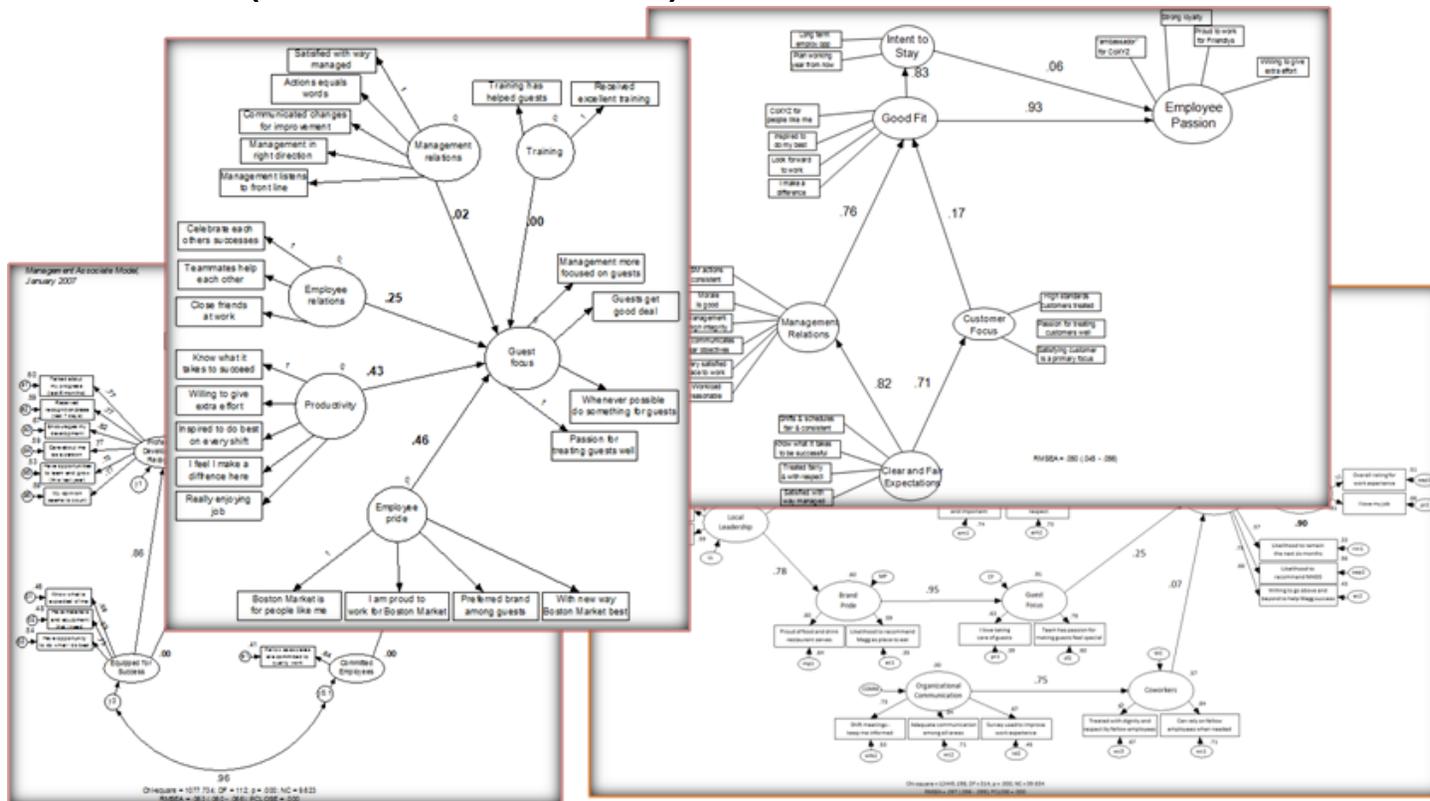
- Click and Mortar vs. Brick and Mortar
- Instant Price Discovery = Shrinking Margins
- Focus on consumer's self and community



The Needs of Social Consumers

Consumer Egosystem

- Everyday people believe their lives deserve 24h broadcast (B. Solis - 2011)



New Questions to Answer

- Do consumers love the experience they are getting?
- Is brand equity plus the in-store experience strong enough to outweigh online convenience?



Multiple Inputs, One Experience



Consumer Expectations

- Empathica brings to light the drivers beyond the drivers
- Align experience with brand values = Loyalty



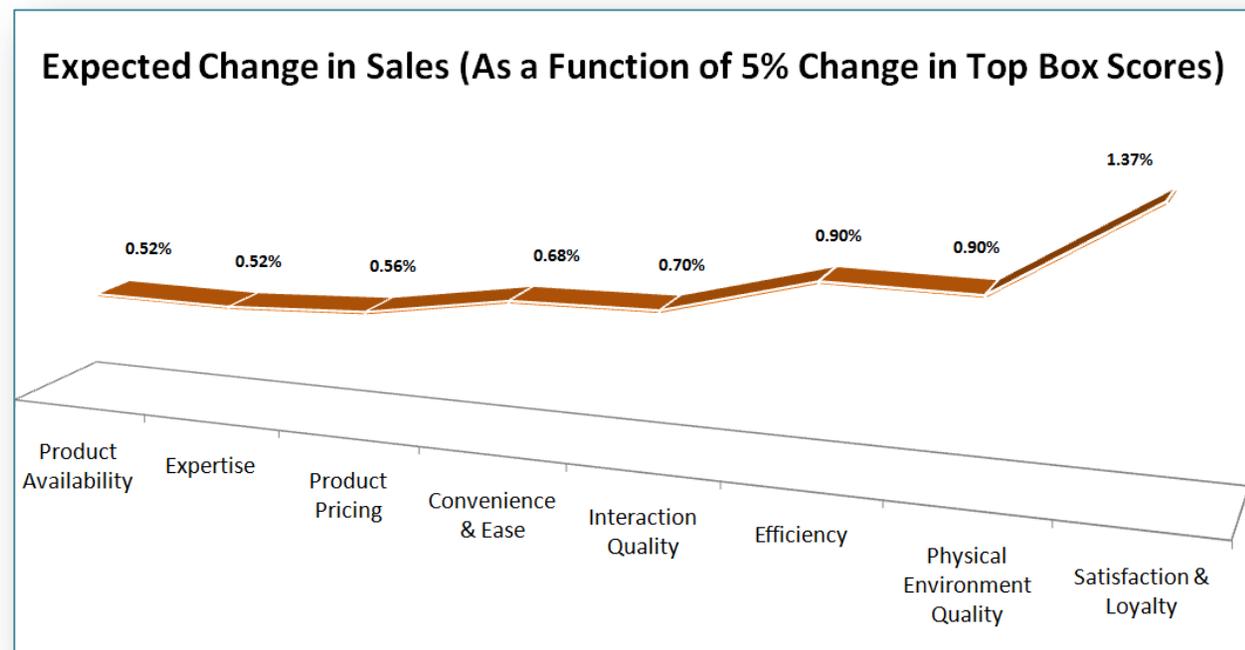
Pharmacy Brand Experience

- Ibuprofen is Ibuprofen
- Differentiate by
 - Offering a wider range of services
 - By orchestrating a unique experience

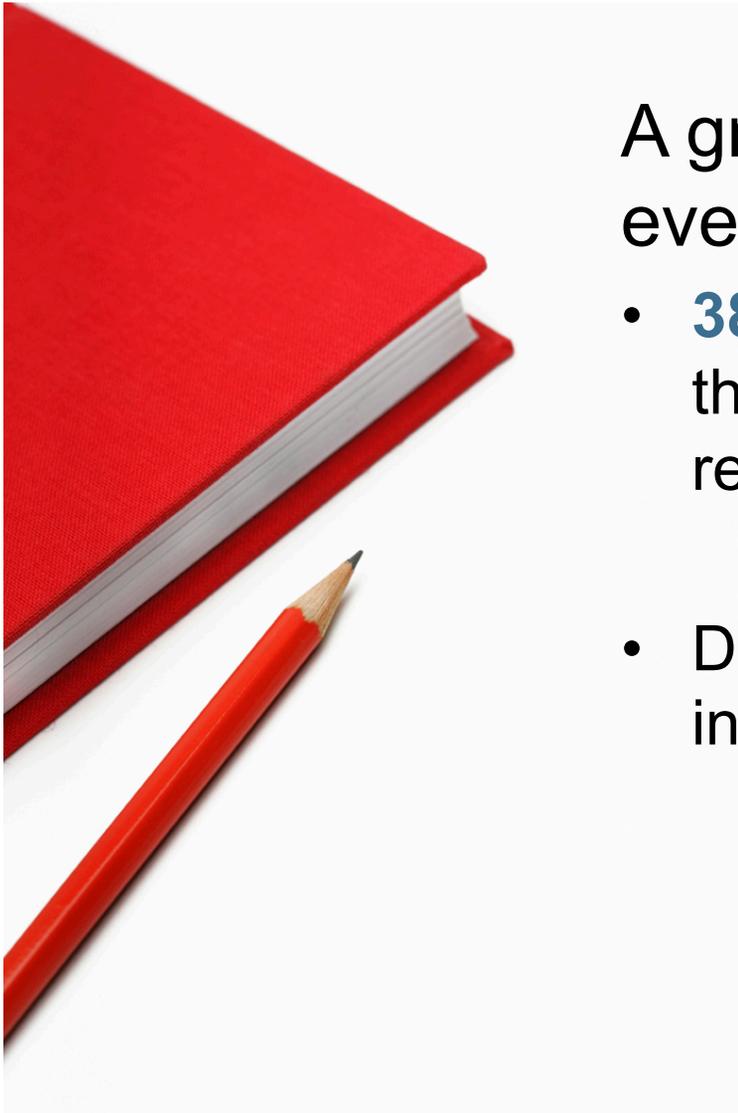


Great Experiences Make a Difference

- Improvements across **all areas** of experience
- Nearly **1.5% year over year sales improvement**
- **1 Million** responses per year

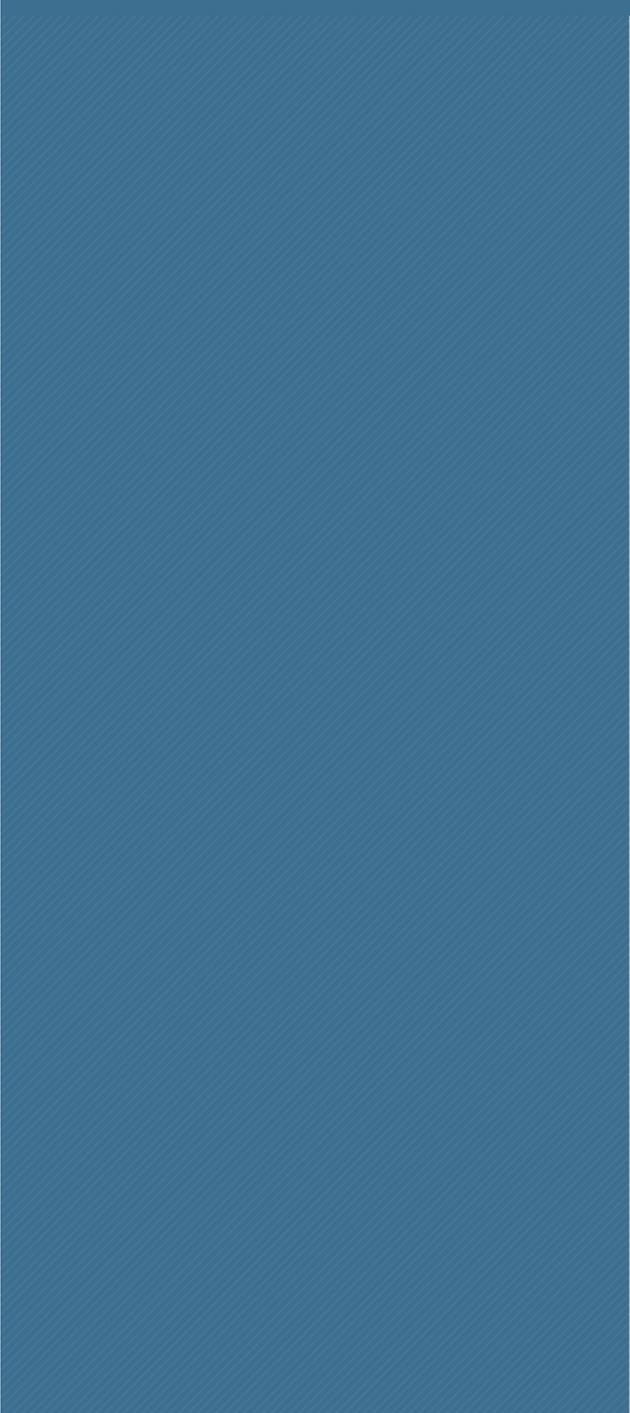


A Brand Story from a Great Experience



A great story will spread faster than ever

- **38%** of consumers have followed through (at least once) with a friend's recommendation via social media
- Driving advocacy offline very impactful in retail



New Consumer Behavior

Social Media and Mobility

- Two most disruptive technologies in recent time
 - Social Media
 - Smart phones and Mobility
- Driving new consumer behavior



Consumer Interaction is Changing



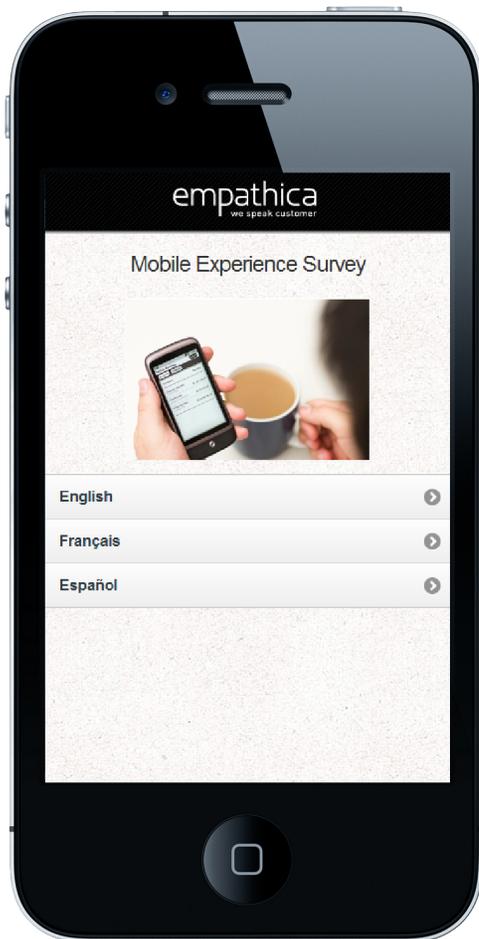
Social Media Adoption

75%

of Facebook users 'like'
between 2 and 10 brands

Mashable Business

Consumer Interaction is Changing



Smartphone Penetration

55%

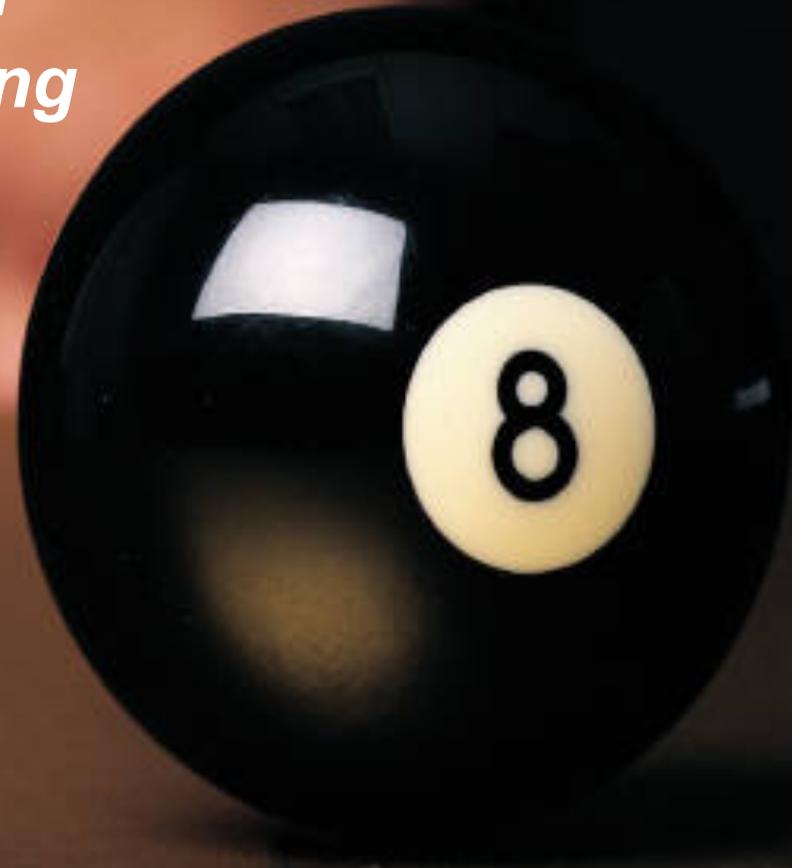
of US mobile market will be smartphones by 2014

Simmons National Consumer Study

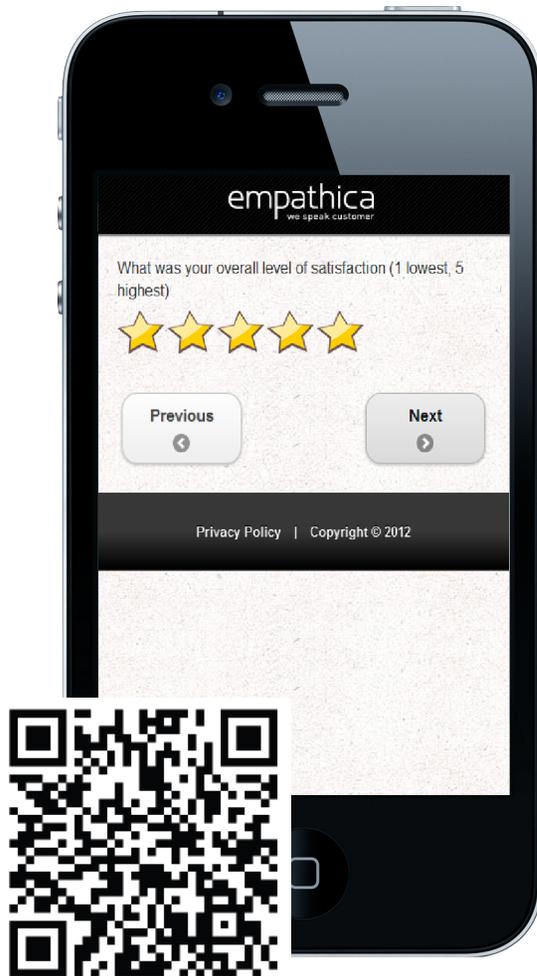
Changing Expectations

58% of customers feel
*customer service is getting
worse*

www.empathica.com/consumer-insights



Take Feedback to the Next Level



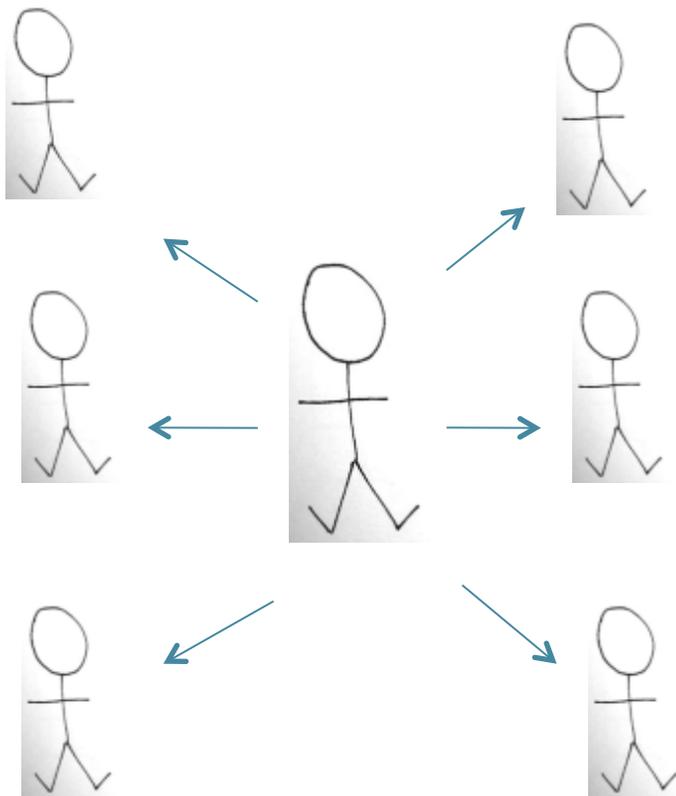
Increase Engagement

20,464 Customers completed mobile survey in 6 months

- **25%** of total responses
- **58%** Mobile from QR Codes

People Vote With Their Feet..and More

- More than winning or losing a sale...



2003 “1 to 6” in *weeks*



2012 “1 to 600” in *seconds*



Advocacy is not Advertising

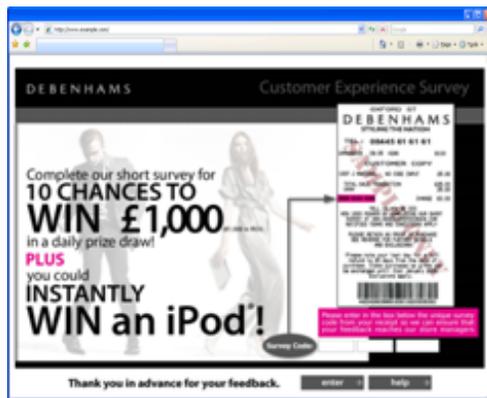
The image shows a Facebook news feed interface. At the top, the navigation bar includes 'facebook', 'Home', 'Profile', 'Friends', 'Inbox', and a search bar. The main content area features a 'Live Feed' with a search prompt 'What's on your mind?'. A post by Jeff Chermes is highlighted with a blue box. The post text reads: 'and continues to be every day! Can't wait to see more picture over time. 6 minutes ago · Comment · Like'. Below this is a photo of a mountain landscape, followed by the text 'Jeff Chermes The Tangerine Sport store at Cedar and Front street is great. There is a huge selection of yoga pants and the prices are really reasonable. I recommend Tangerine Sport'. A coupon graphic is displayed with the text 'Click here to get \$5 OFF your next purchase of \$40 or more at Tangerine Sport' and an image of a shopping bag. Below the coupon, it says '* 4 minutes ago · Like · Comment · Find a location near you'. To the right of the main feed, there are sections for 'Requests', 'Suggestions', and 'Sponsored' content. A green box labeled 'PAID ADVERTISING' is overlaid on the sponsored section. A blue callout box at the bottom of the highlighted post contains the text: '13.5 X higher click rate than Facebook advertising' and '8.5 X higher click rate than Google/Yahoo advertising'. Below the callout, more posts are visible, including one by Shannon Czerniak and another by Kristen Hamilton.

The Power of an Advocate

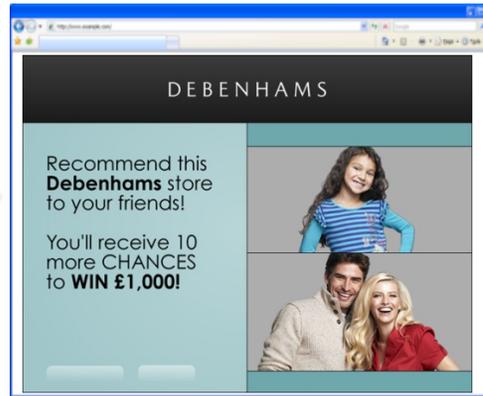
“They always have new items which keep your interest and desire to go back. It never gets tired or boring shopping there.”

Shared with 575 Facebook friends

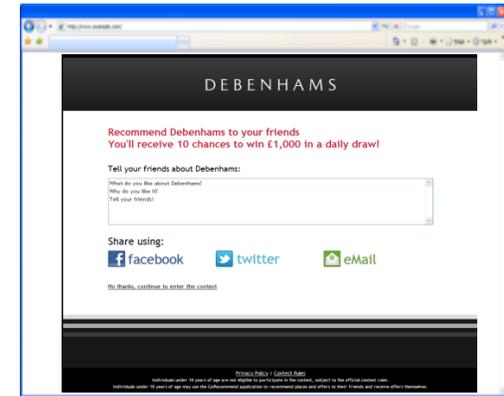
Social Media Advocate Mobilization



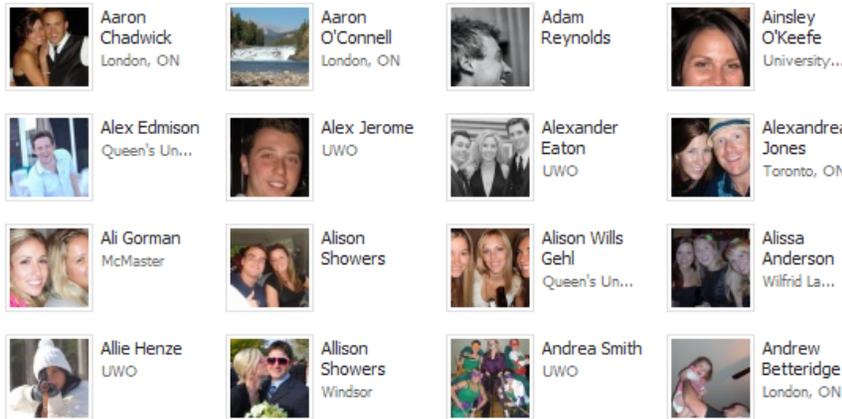
Customer completes survey and intends to recommend



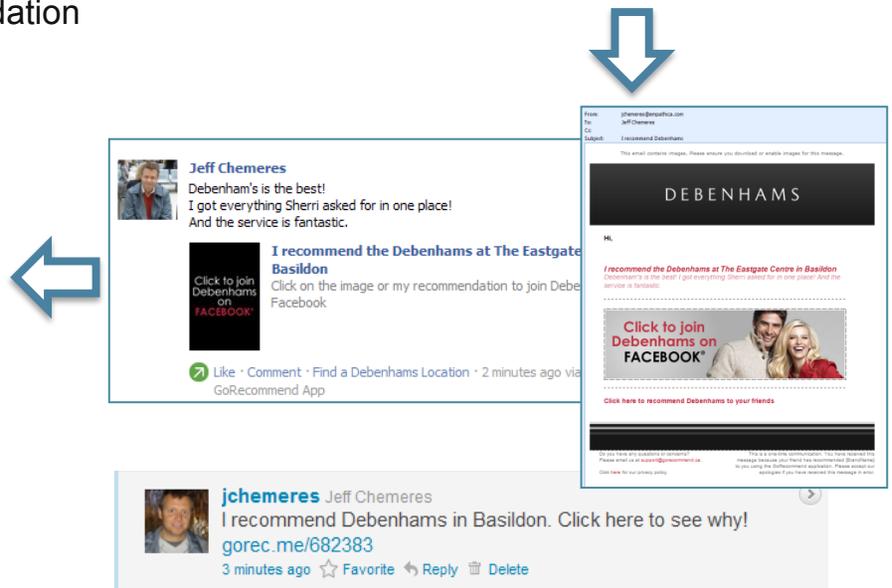
Only customers with high intent to recommend are invited to make a recommendation



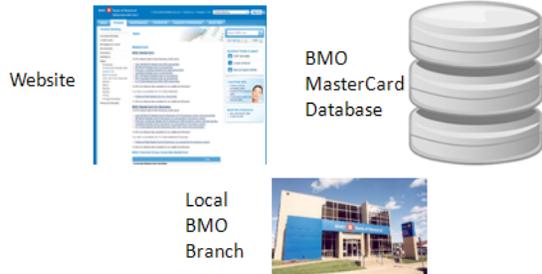
Customer makes a personalized recommendation



Recommendation is shared via Facebook, Twitter and email with all of the advocates' friends



Direct Recommendation From a Survey



Drop down box – multiple options

Personalized and Unique Testimonial

BMO Bank of Montreal
Making money make sense™

Share the love – Recommend the BMO MasterCard to your friends and tell them how you will reward yourself with the points you are receiving! You'll receive 10 chances to win \$1,000 in a daily draw!

How much do you love BMO Air Miles Master Card?

1 - Not a lot of love 2 3 - It's ok 4 5 - Lots of love!

How will you reward yourself?

I am going to use my BMO MasterCard Air Miles Points to book a flight

Give your friends the details! Tell them more about why you use your BMO Air Miles MasterCard!

I use my BMO MasterCard for all my Christmas gifts. This way, the points I redeem will go towards seeing my family for the holidays!

Share using: [facebook](#) [twitter](#) [eMail](#)

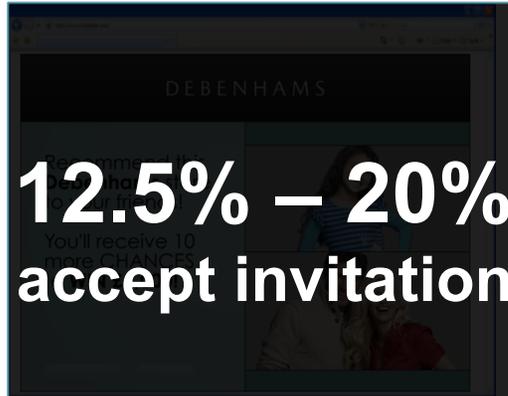
[No Thanks, continue to enter the contest](#)

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Rapid Market Adoption



Customer completes survey and intends to recommend



Only customers with high intent to recommend are invited to make a recommendation



Customer makes a personalized recommendation



Recommendation is shared via Facebook, Twitter and email with all of the advocates' friends



Retail Success Story

Time in Field: 11 months

Total Number of Advocates Found: **8,116**

Total Number of Newsfeed Posts Populated: **1.3 million**

Over a 2-week period:

- **3,000+** qualified advocates
- **600+** recommendations (**20%** conversion)
- Each recommendation had a link to a coupon voucher
- **2,800** vouchers were redeemed and generated **\$20,000** worth of sales

“Great store, plenty of choice, lovely staff, great variety of products sold!”

*Testimonial of a single advocate
Delivered to 1,063 Friends on Facebook*

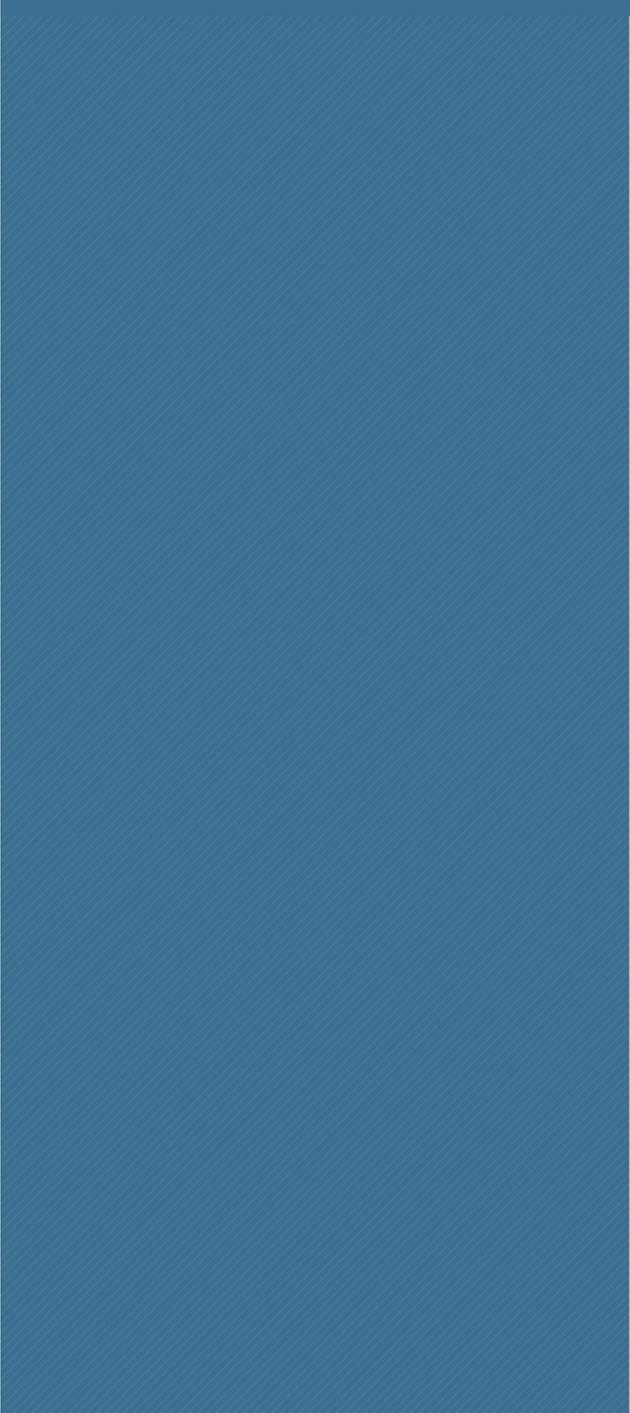
The Power of an Advocate:

367 Advocates
each have over
500 Facebook
Friends...

...and
have
communicated
positive brand
messages via
GoRecommend
to over 276,000
people

A Leading Tool for Finding and Mobilizing Advocates





Working Together to Socialize the Customer Experience

Social CEM to Bring it Together

- 1 Deepen understanding of what drives customer loyalty
- 2 Elevate operations to consistently deliver great experiences
- 3 Mobilize employees and customers as brand advocates

What Drives Loyalty?

Leveraging both consulting expertise and science can provide a **deeper understanding** of what drives customers to your brand and causes them to be loyal.



Elevate Operations

Improved operations consistency has shown up to a **\$100M** increase in sales and **5M** additional visits per year in some of Empathica's research.

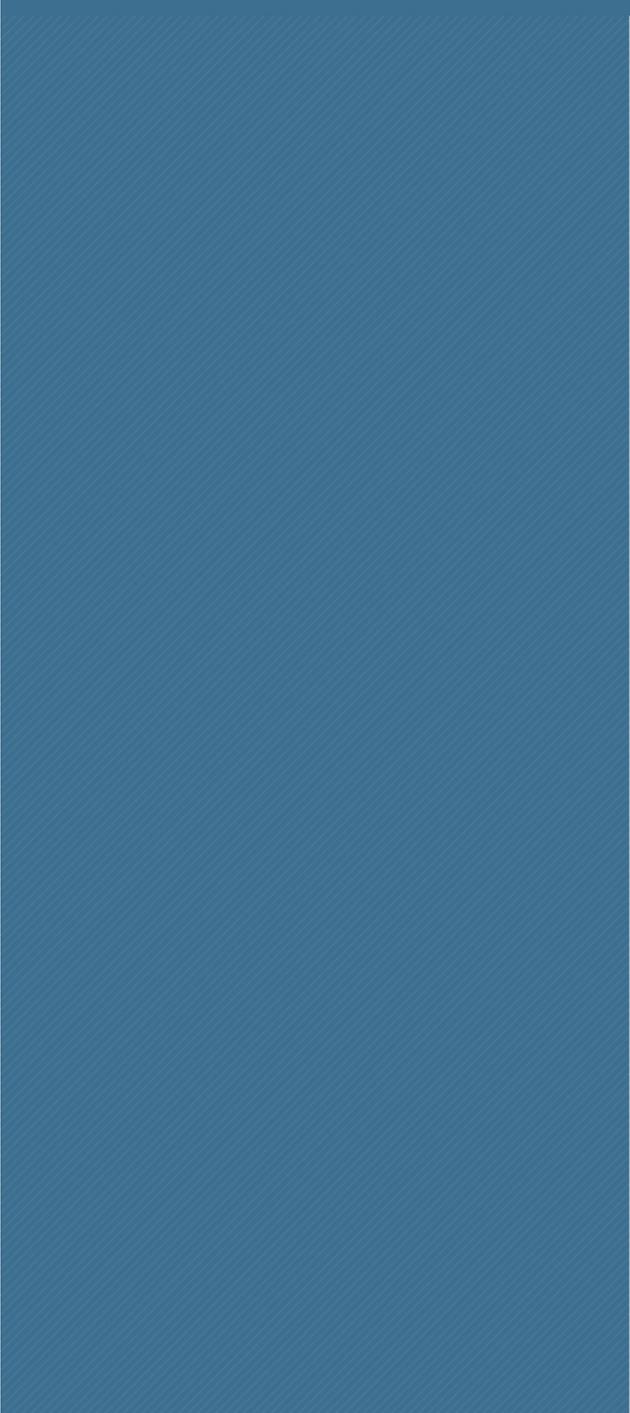


Mobilize Brand Advocates

Go beyond loyalty and drive active advocacy.

Advocates can drive **33%** more sales and **18%** more traffic than regular customers





About Us

We **believe** *that*
everyone
deserves to
love *where*
they work,
shop and
dine.



Global Leaders Share our Belief

Food Services



Finance



Retail



Partner With Us

- **Full CEM product suite** – Patent-pending social media advocacy, customer feedback, and employee engagement solutions
- **200+ brands** in food services, retail and financial services
- **100+ employees** in North America and the UK
- **30 million** surveys, **50+** countries, **25+** languages
- **Robust growth plan** driven by industry-leading products



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