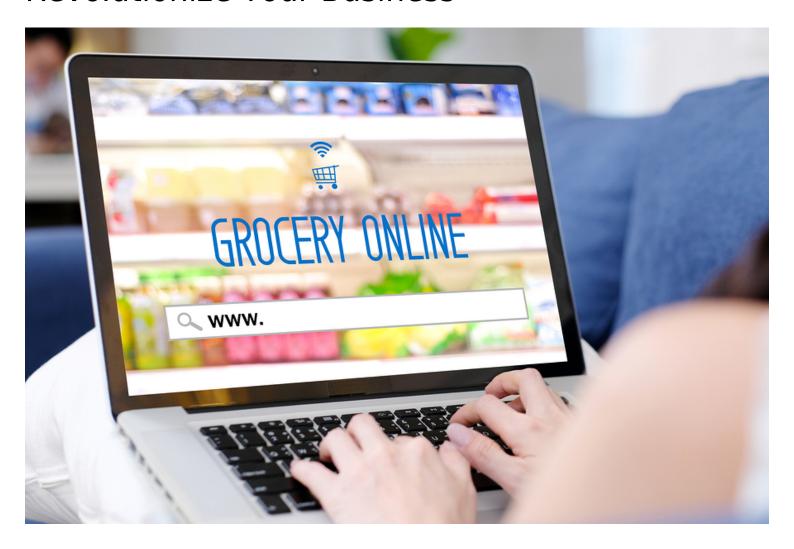# How Digital Marketing in Retail Can Revolutionize Your Business

According to the Nielsen Company, consumers spent 4 hours and 59 minutes per day in Q1 2019 connected to digital media. That makes marketing campaigns on digital platforms highly visible, cost-effective, and persuasive. To achieve the greatest ROI from digital marketing and stay ahead of the competition, retailers and their executive teams need to understand the trends and interpret their marketing data in a way that simultaneously improves revenue generation and customer loyalty.

Playing an Increasing Role in Revenue Generation

Since before the Great Recession, there has been a steady increase in the percentage of U.S. retail purchases made online. This expansion of digital media has taken a large bite out of the revenue stream of brick-and-motor retailers that failed to adapt. Increasingly, retailers are realizing the extent to which effective digital marketing translates into greater revenue generation.

Macy's is a prime example of shifting marketing strategies. In the wake of closures and meager sales growth at flagship stores, the department store chain restructured and placed a greater emphasis on their digital marketing efforts. They funneled $550 million into their digital business that resulted in several quarterly increases after a three year slump in sales. Their ongoing success will depend greatly on their understanding of digital marketing data and their ability to turn ad views into sales.

Kroger is in the midst of developing a model in which retailers can leverage data to increase their revenue stream. The Kroger Precision Marketing program combines the data from online interactions on specific advertisements with customers' in-store buying habits, identifying the correlations between digital marketing and actual purchases. By monetizing their data in this fashion, Kroger provides a service to brands that sell products in their stores or even retailers that are targeting the same customers.

In addition to upselling and cross-selling, the data obtained from marketing can contribute to customer retention strategies. Though not a retailer, American Express is pioneering a framework that retailers can use to prevent churn and save revenue that would have otherwise been lost. Using machine learning models, they can determine which accounts are most likely to close within four months and direct their digital marketing efforts to prevent those closures. Retailers are capable of using rewards or loyalty programs in a similar manner, capturing data to identify profitable customers, save those on the fence, and encourage more purchases.

Enabling Personalization and a More Rewarding CX

Studies show that brands with industry-leading customer experiences achieve a greater ROI than those on the lower end. Increasingly, a rich customer experience equates to deeper personalization, which can increase revenue 5% to 15%. With digital marketing and various data-driven tools, more retailers are able to personalize their interactions with consumers and shape behaviors in ways that produce a greater ROI.

[McKinsey](#) notes that the shift to digital marketing over the next 15 years will result in more human interactions and stages in the buying cycle. Omnichannel marketing strategies will be a major starting point in that transition, creating a three-dimensional understanding of customers from the data points spread across social media, online websites, mobile apps, and in-store interactions. Understanding the customer and their complete journey not only boosts revenue, but is proven to result in [91% greater customer retention year over year](#). It's no wonder why retailers like Nordstrom, Macy's, Amazon, and Walmart are putting a greater emphasis (and seeing results) on their omnichannel strategies.

Moreover, the blurring line between digital and physical marketing will create experiences that feel more organic. American Eagle is already experimenting with this practice, using GPS triggering when a customer enters their stores to provide offers and discounts that are personalized to a customer's buying habits and needs. Retailers that harness this strategy will improve their ability to generate steady revenue.

By building engagement and brand awareness in the early-stages of the buying cycle, companies are able to connect with their consumers and make themselves an indispensable part of their lives. Telling a cohesive story across the customer journey goes a long way to making a difference. Data is helping brands to uncover patterns and pinpoint the factors that motivate customers.

Adjusting Executive Talent Requirements

What does all this mean in terms of securing talent? That more executive marketing roles will demand fluency in digital platforms and data analytics. Recruiting for executive roles in marketing has evolved over the last 6 years, centering increasingly on marketing executives' ability to understand what martech, or marketing technology, can do for a company.

Additionally, marketing executives need to comprehend the qualities that make a modern marketing team capable of adapting with changing market trends and advancements in technology. Marketers increasingly wear multiple hats, acting as content creators, salespeople, and data analysts all at once. Retailers that thrive will have a leadership team capable of leveraging digital marketing savvy personnel, data from across omnichannel interactions, and actionable insights to surpass their competitors and grow their revenue.

Understanding digital marketing's role as it relates to customer information and revenue is the difference between those retailers like Nordstrom that thrive in the digital world and those that continue to suffer. In the end, retailers will

thrive through top down initiatives with executive talent prepared to lead the way into new and evolving digital marketing campaigns.