

The Retailer's Playbook for Building the **Digital Footprint**

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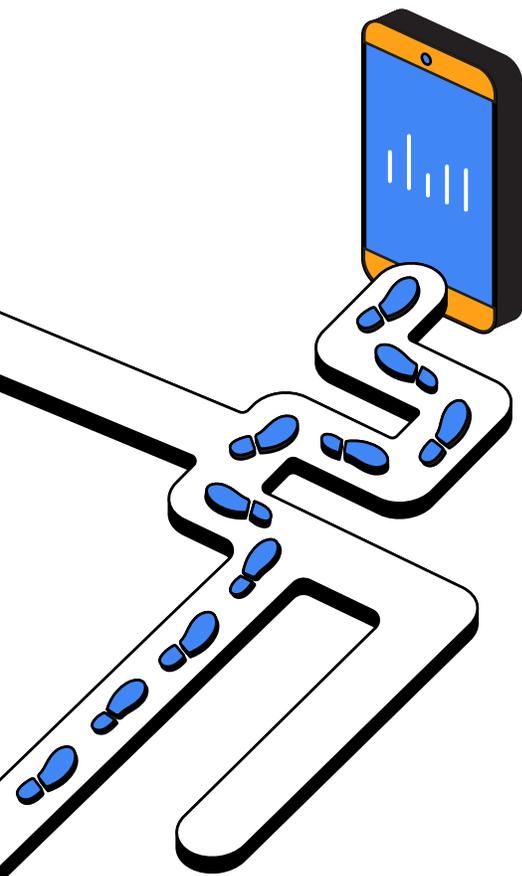
For retailers, there is a virtually endless number of digital environments for interacting with consumers, from sellers' own websites and apps to social media channels, streaming services and email newsletters. Knowing how and when to leverage interactions in each space is essential to building a retailer's digital footprint.

The digital footprint, for retailers and brands, amounts to their aggregate presence across digital channels. Digital footprints can vary in size and complexity based on the company. A retailer such as Target, for example, has built a digital

footprint across their website, shopping app, social media channels, email newsletters and the company's media network. Smaller retailers might have only a website or Facebook page. Loyalty programs and mobile apps used for in-store purchases also contribute to the digital footprint.

Building and defining the digital footprint enables retailers to understand consumers at a deeper level and better serve them. The data that emerges from the digital footprint also enhances the retailer's appeal to brand manufacturing and advertising partners.

It is an especially critical time for retailers to define and leverage their digital footprint. The pandemic and quarantines created an "accelerated push in the e-commerce space, in terms of buying online and getting deliveries," said Kerel Cooper, Chief Marketing Officer at LiveIntent. Now, with the world starting to reopen, Cooper said, "As a marketer or brand, the question you need to be asking yourself is, 'How can we further that relationship, to stay top of mind with the consumer and make sure that we are one of those brands that they continue to deal with?'"



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— Kerel Cooper, CMO, LiveIntent

This micro-report, the third [in a series](#) of three [from LiveIntent and Digiday](#), focuses on building effective digital footprints for retailers — a deep dive

into the critical steps retailers must take to achieve and define their own digital footprint, including tactics and examples that teams can use today

The dynamics of the digital footprint — and the challenge

When it comes to digital marketing, the term “digital footprint” has two meanings.

Jessica Muñoz, vice president of product marketing and GTM strategy at LiveIntent, explained that for customers, the digital footprint represents “their journey as a buyer,” from research all the way to purchase and beyond. “It also involves everything you do online,” she said. “You have a presence, who you are online, and it can be a mixture of anonymous or known elements, depending on the places where you identify yourself, like a login, for example.”

While this micro-report focuses on the second meaning of the term — all the channels and platforms through which a retailer interacts with its customers (and the data it collects in those

environments) — it’s simultaneously impossible to separate a brand’s digital footprint from that of its customers. Retailers must understand their customers’ digital journey to make the most informed decisions about their own digital footprint and the data they collect from each part of it.

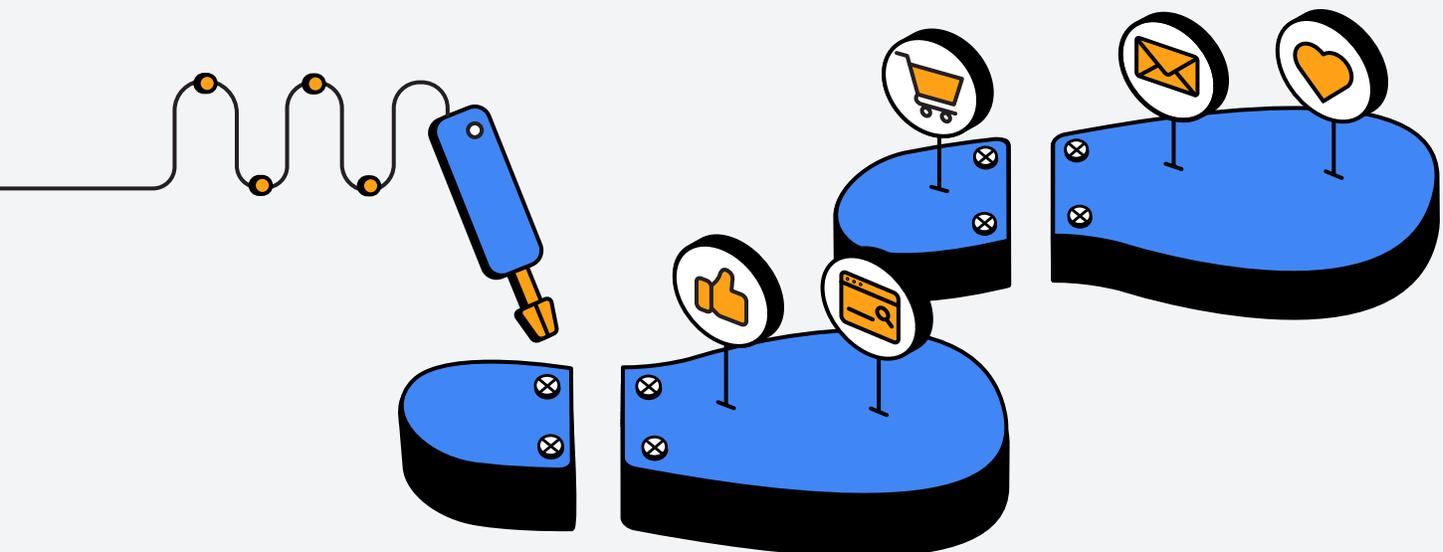
Additionally, for retailers, building a useful digital footprint is about more than just the number of platforms through which they interact with customers or the amount of data they collect about them. It is about the intentionality behind the retailer’s presence on the platforms it chooses, the user experience and the value exchange that takes place during these interactions.

Therein lies a challenge. Retailers must approach building their digital

footprints in a way that is tailored to their own brand and audience — and then they must match advertisers, environments and customers with relevance.

Furthermore, “the number of new apps and places where the consumer can be engaged just continues to grow,” said Cooper at LiveIntent. “The retailer or marketer has to decide which of these platforms they want to play in — and this factor makes it a bit more challenging to build the digital footprint today than it has been in the past.”

In the next three sections, we’ll explore the steps that retailers are taking to meet the challenges of building the digital footprint in 2021, all on the path to putting relevance at the core of their approach.



Mapping the digital footprint via brand–consumer interactions

The first step for retailers building a digital footprint is to determine where the online interactions with customers occur or could potentially occur. Each of these customer touch points generates useful data largely immune to the growing number of restrictions around third-party data collection — typically first-party data that the customer knowingly provides.

These points of interaction vary; they include engagements as basic as a customer browsing a retailer’s website and the online checkout process. Beyond those, touch points also include interactions with loyalty programs, email newsletters featuring

targeted content and subscriptions or reminders to restock certain items.

The complexity of these steps differ. For example, if retailers already have a website, then collecting their customers’ email addresses and purchasing data would be fairly low-lift. However, approaches and environments such as loyalty programs and mobile apps require more effort and resources. In these cases, the digital footprint often becomes the territory for partnerships, with technology vendors helping to map and locate the data retailers and their partners are after.



Tactics and insights

- Retailers begin understanding their digital footprint by determining where digital interactions with customers occur or could potentially occur.
- Partnerships come into play as the digital footprint expands and becomes more complex — allowing retailers to work across long-term relationships with customers and multiple device touch points.
- The goal is not just to identify the digital touch points, however, it’s to pinpoint the ones where customers provide the most useful data about themselves.



Keys to the digital footprint: Incentives unlock customer data

After touch points are identified, it is necessary to determine what kinds of data should be collected from each interaction and how to incentivize customers to provide consent.

For example, when a shopper opens a retailer's website to browse, they might be greeted with a pop-up message asking them to provide their email to receive a discount, or a loyalty program member might later receive free gifts or additional discounts when they meet a certain spending level.

"All of these are ways to build an experience where there's an equal value exchange between the customer and the service that's being offered," explained Muñoz, "where you're incentivizing your customer to identify themselves." The incentive can also

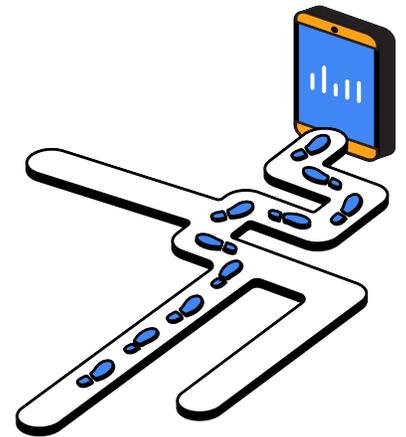
be an efficient, improved shopping experience. This is especially true when it comes to a retailer's mobile app, provided the experience offers something that can't be found on a retailer's other digital channels.

That is, "it cannot just be a carbon copy of your website," said Muñoz. "Because then there is no incentive to use the mobile app and give you the data; it's more about curating a unique shopping experience."

Grove Collaborative is an example of this differentiation. On the household and personal care retailer's app, customers can set schedules for household items and the app automatically adds the items to their cart at set times and sends a notification to complete the purchase.

Customers also receive free gifts with almost every purchase that are customized based on the items they normally buy.

Prompts can also be proactive. For example, in a study by WBR Research, cited at [a recent LiveIntent webinar](#), 79% of retailers who implemented personalized recommendations into the e-commerce experience — via apps, email newsletters, in the shopping cart or on category pages of the retailer's site — saw a positive ROI from their efforts.



Tactics and insights

- To earn a customer's data, customer incentives across a digital footprint most often include discounts on products and subscriptions, and free offers.
- The value exchange can also be enhanced shopping experiences and/or inventory unique to the channel asking for their personal data, such as a mobile app.
- Recommendations matter. When retailers send personalized moments of inspiration to shoppers, e-commerce ROI increases.

Putting the data collected to work

Retailers can also leverage the data that comes from a robust digital footprint to appeal to brands, encouraging them to sell with the retailer and advertise through their channels.

CPG manufacturers, for example, might have a wealth of insight from their own research about their brand affinity or perception, but because they typically don't sell direct-to-consumer, they often lack data about who is ultimately buying their products and how often.

Retailers that can provide this data to partners, thanks to their digital footprint, offer more value than just a

storefront. They also offer access to the audiences that they have cultivated.

As Muñoz explained, "If you can go to Dove, for example, and say, 'These are my customers who care about your brand, and these are my customers who I think could care if you get in front of them,' and you offer that as an advertising opportunity, it's valuable because it's defensible. It's based on actual purchasing behavior, not just modeled data."

Retailers like Target and Kroger have taken this way of leveraging their digital footprints to a different level by building media networks that offer

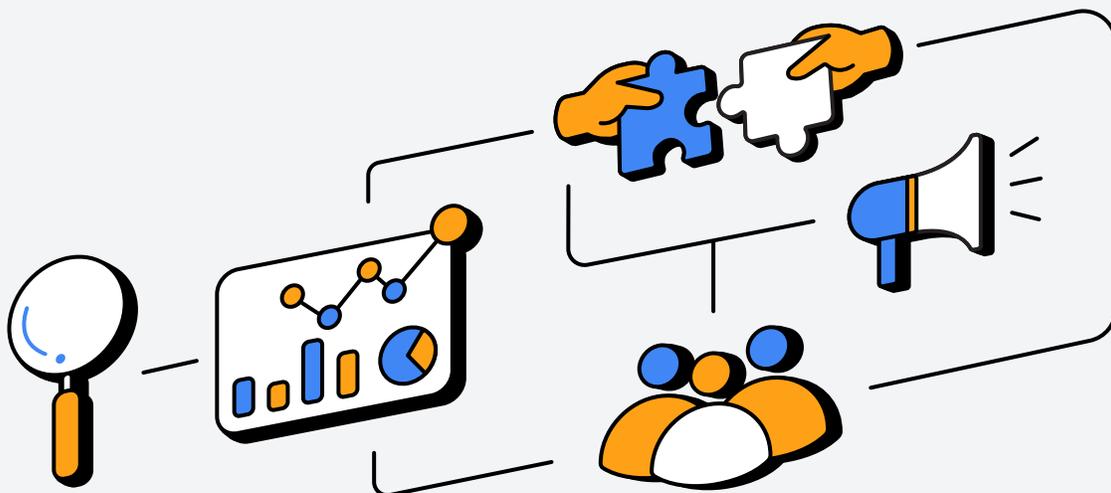
partners targeted access to their even more expansive digital audiences.

Target, for example, in a pitch deck for its media network, Roundel, highlighted 147 million customer profiles and 41 million unique digital visits, as [Digiday reported](#).

Furthermore, beyond simply the element of audience size, Target is positioning its digital footprint as specifically relevant — they can segment Target's digital dataset in ways that are highly relevant for their products.

Tactics and insights

- Marketers are prioritizing partnerships with vendors that can help them effectively target audiences informed by authenticated first-party data; these partnerships can help set a retailer apart from its competitors.
- The data within a digital footprint can also appeal to brand partners that might not have direct access to customers, emphasizing — as Target does — the specific relevance of the data identified to the brands that match it best.



What's next for digital footprints?

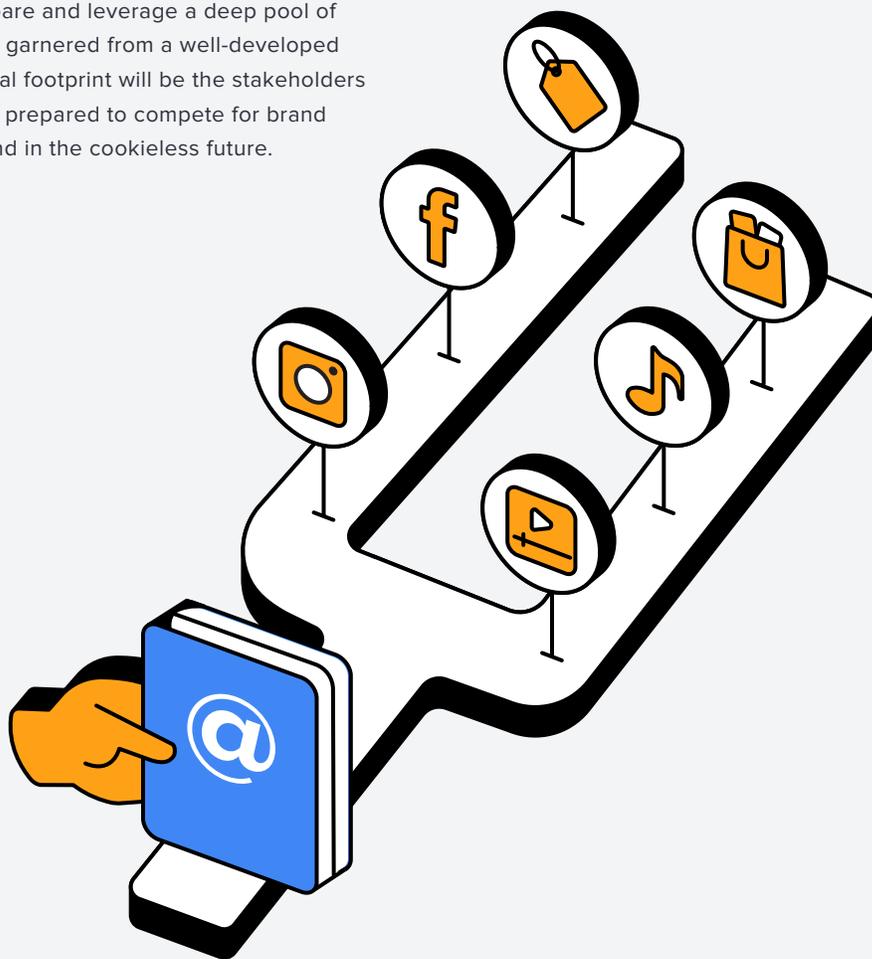
According to Cooper at LiveIntent, one certainty about the future value of digital footprints will be “the ability to figure out how you connect user engagement with your brand — in-store, in newsletters, on the website and on all different channels.”

One key to making these connections is to build a customer data team that can aggregate and normalize all of the data collected. This team can be built internally by hiring key talent in data engineering, data science and technical product development, or retailers can look to outside customer data platforms that expand their access to first-party data.

Also essential to making these connections across the digital footprint, according to Cooper, is the email address. “Your email address is pretty much your digital passport

to the internet,” he said. “I think there are going to be more and more opportunities to connect that digital passport across platforms in the future; the email address is the one digital asset that everyone uses across platforms.”

The digital footprint will only increase in importance. Google may have [delayed its cookie deprecation deadline](#) by two years, but that slowdown doesn't mean that brands, retailers and advertisers can rest. Smart advertisers are already allocating more of their budgets toward first-party audience insights, and brands and retailers that similarly prepare and leverage a deep pool of data garnered from a well-developed digital footprint will be the stakeholders best prepared to compete for brand spend in the cookieless future.



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