



Kim Davis
 Editor-In-Chief
 DMN

TABLE OF CONTENTS

3	How Retailers Are Using Augmented Reality in Marketing
5	VR World Represents What's Possible With Technology – and in Marketing
6	AI And Fashion Marketing: A Perfect Match
8	Case Study: Tourism Australia Connects With Travelers Through Native Advertising
11	Amazon Alexa May Give Voice To Targeted Marketing
12	Holding Influencers Accountable: Using Big Data To Improve ROI

It's going to be a big year for retail marketing. Technology has never been more sophisticated, and brands are beginning to take notice. The lines between brick-and-mortar and eCommerce are blurring in the mobile boom, as the ideal customer journey becomes a blend of in-store and digital experiences.

So, what's next? Augmented and virtual reality are still in their infancy, AI is on the rise, and giants like Google and Amazon are figuring out the best ways to let consumers find products and make purchases through their home assistants. The scene is shifting, and marketers need to take notice.

Some brands have already jumped at the bait – tackling emerging tech with some pretty interesting tactics. It's these early adopters that are shaping the way other brands look at the landscape as they figure out how (and when) to jump in on their own.

Come with us as we explore how some brands are bringing high-tech into retail — from Tourism Australia's foray into creative native ads, to Alibaba's adventures with AR, and a closer look at experiential marketing through the lenses of VR World in New York City.

Are you ready for a whole new world of retail?



How Retailers Are Using Augmented Reality in Marketing

By Kayla Matthews

Retailers are having success with augmented reality in marketing — bridging the gap between online and offline aesthetics while benefiting both retailers and consumers.

According to Retail Perceptions, 61% of shoppers prefer to shop at stores with AR features over those that don't. With the AR market anticipated to reach \$133 billion by 2021, it makes sense retailers are embracing AR. Here are some ways big brands are using the technology now:



Lowe's

Bringing home goods...home

Lowe's, IKEA and Target have all used AR at their brick-and-mortar locations to help people buy home goods. Target launched a feature called "See It In Your Space" which enables customers to see how a piece of furniture will look inside their home.

The AR feature lets shoppers move objects around at an accurate scale, and virtually "place" items in rooms they've added. Target recognizes a costly purchase is more likely to occur

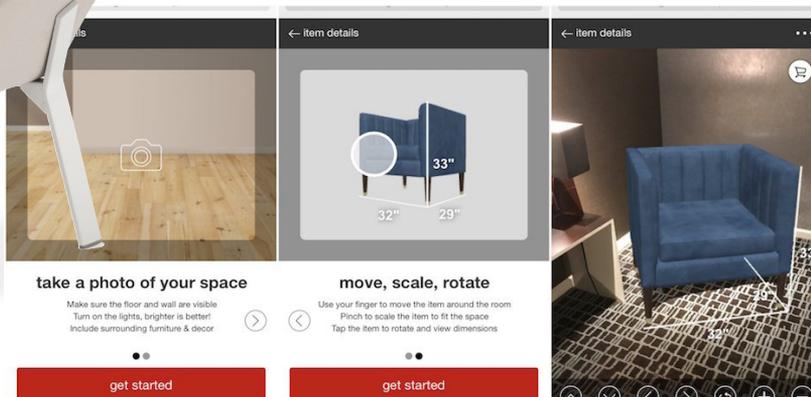
if the customer is aware of how it will look in their home -- instead of just in the store's showroom.

Lowe's creates a similar personalization experience in partnership with Microsoft HoloLens. Shoppers can wear the mixed-reality headset to view a full-sized kitchen they can then customize with color, scale and style.

AR tools will help give buyers more conviction when purchasing costly items that are not practical to purchase and bring home. It will also help reduce burdens associated with returns, by allowing buyers to "try on" the item and visualize it in real-time, before they make a purchase.

Toy retailers

Although AR has been most abundant in the fashion and home goods industries, the toy industry is also getting into the game – literally. Toys "R" Us recently launched an AR app called "Play



Target

Toys "R" Us



Clopay



Chaser,” which allows users to activate various games throughout Toys “R” Us stores by scanning “Play Chaser” signs. The app aims to make the shopping experience more fun and interactive.

The games, which are compatible with Android and iOS devices, provide an extra incentive for kids to urge their parents to take them to Toys “R” Us so they can play games that require them physically present in the store to access. For marketers, it’s a great way to help increase foot traffic, while also providing a more immersive experience for shoppers.

Construction and garage design

Home projects and renovations are big-time jobs, so it makes sense the construction industry is embracing AR as a way to plan and visualize design.

Clopay’s “Door Imagination System” provides customers the ability to see how their home will look with a specific garage door. Their garage door visualizer enhances the selection process by

providing imagery of the door in front of the customer’s home, making their product more marketable in the process.

Food and drink

The restaurant and cafe industry also shows interest in AR. Industry giant Starbucks is regularly experimenting with AR. One of their recent forays aims to provide an atmosphere, instead of enhancing the purchasing process.

The experience, created in partnership with Chinese retailer Alibaba, was unveiled at a Starbucks location in China in late 2017.

Customers who visit the store are encouraged to use their smartphones to view additional information and unlock badges as they walk around the 30,000 square-foot space. Their AR content aims to transport customers to a coffee farm in another country, while also sharing details of brewing methods.

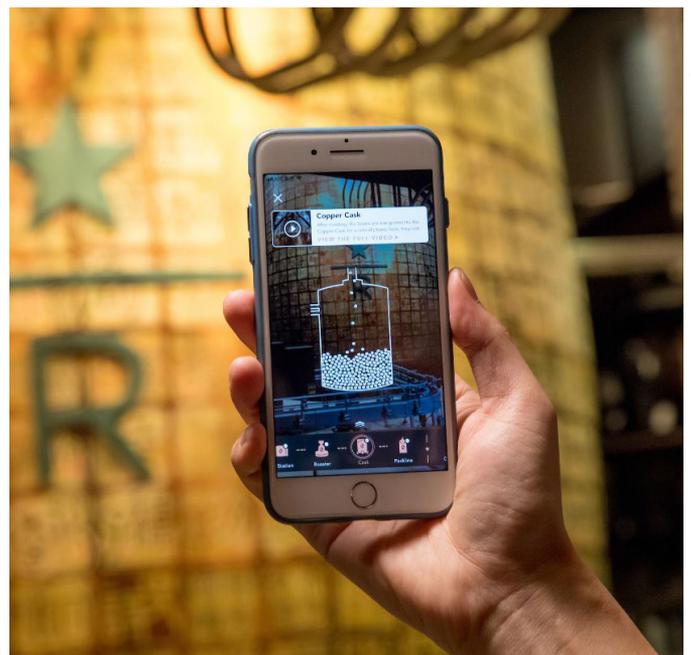
For Alibaba, the app is a way to draw new customers into their online market-

“ According to Retail Perceptions, 61% of shoppers prefer to shop at stores with AR features over those that don’t. ”

place by allowing users to purchase coffee and other experiences.

Essentially, Starbucks’ interpretation of AR involves enhancing the enjoyment of their products by providing an immersive look at every stage of the growing and brewing process. The food and drink industry is likely to follow suit regarding AR implementation and its role in marketing.

Across various industries, retailers are using augmented reality to help market their products and provide an enjoyable shopping experience for their customers. ■



Starbucks

VR WORLD Represents What's Possible With Technology – and in Marketing

Part of what VR can offer brands is the opportunity to engage more consumers with experiential retail concepts

By Hillary Adler

One of the hottest conversation topics in marketing technology is the emergence of VR as a sustainable business platform. The presence of VR in branding is ever-growing, and marketers are turning their heads towards the power that VR has with consumers. Brands like Tom's, HBO (Game of Thrones), and even the New York Times have found ways of implementing VR technologies into consumer interactions.

VR World, which bills itself as the largest Virtual Reality center in the western hemisphere, believes that VR isn't just a temporary fad in marketing—it's here to stay, and for a long time.

"Right now everyone wants to get their hands on VR," said Tommy Goodkin, Head of Content at VR World. "You're already seeing this in franchise properties with pop-up shops and experiential stunts—especially with major blockbuster shows and films."

Unfortunately, pop-up shops and experiences are live for a limited time. A location-based VR center like VR World offers brands longer experience flights or even a permanent home.

It is well-publicized that younger consumers are allocating their spending away from goods and more towards experiences, and part of what VR can offer brands is the opportunity to engage more consumers with experiential retail concepts. And of course, this in turn gives more physical impressions to brands than online marketing does.

Take for example, Richie's Plank—the most popular attraction at VR

World. A fully immersive experience, Richie's Plank takes you hundreds of feet above the New York City skyline to the top of a skyscraper. The objective? Try to walk the plank over the city.

"Your mind knows you're only an inch above ground, but you're still terrified," said Goodkin. "That's the power VR has—the power to take the customer to a different world and a different place."

If you're a brand, you want to live on in the mind of the consumer for a long time, which is what makes VR so valuable to marketers. It provides an experience so immersive that consumers want to talk about it for days. And when it comes to VR World and Richie's Plank, yours truly, admittedly, forgot she was only an inch above the ground when stepping (jumping) off the plank. The ground hurt—I will tell you that much. ■

“That's the power VR has—the power to take the customer to a different world and a different place.”





AI And Fashion Marketing: A Perfect Match

How major retailers are using AI to improve the fashion retail experience

By Ariella Brown

As visual AI advances, it's becoming a useful tool for marketing fashion both online and on-premise. This marriage of fashion and AI signals possibilities for shoppers.

Alibaba recently demonstrated the difference it could make with record sales for this year's Single's Day in China. The volume of sales for this year's Single's Day through Alibaba's sites amounted to \$9.3 billion this year, compared to \$5.9 billion last year. Technology use played a major role in that surge of sales, as nearly half the orders this year came through smartphones -- over double the 2016 number.

However, another form of tech-

nology was also involved: AI. Using deep learning, Alibaba researchers developed FashionAI to offer in-store shoppers a familiar kind of screen interface that can make recommendations to customers based on its huge volumes of data.

As MIT Technology Review explained, FashionAI is able to not only "recognize hundreds of millions of items of clothing" but also to learn "the tastes of designers and fashion aficionados on Alibaba's shopping sites." It's tailored to correspond to the inventory in each "store, generating dozens of outfit matches" on the basis of what it stocks.

That this machine learning boost

“ This marriage of fashion and AI signals possibilities for shoppers. ”

generated greater sales is no surprise. A recent study by McKinsey showed that early AI adopters that combine strong digital capabilities with proactive AI strategies have higher profit margins. That is why Abdul Muhammad, VP of digital strategy for rbb Communications, believes that we will see AI completely transform the shopping experi-

ence, and bring the online and offline experience in closer alignment.

While we have come to expect Amazon-like recommendations from all retailers, including fashion sellers, we are now going to find those recommendations within the physical stores. Muhammed said, we will not see bricks-and-mortar locations disappear “because people want to feel, touch and engage with a product, or speak to an expert before making a purchase.”

Given the expense of maintaining physical stores, businesses have to make sure to maximize their opportunities for sales, and AI can play a role in that. For example, “integrating AI bots into physical locations to assist customers, while also providing all the data and expertise that you can get from shopping online,” can give the customer the direction they seeks in

“ AI connects the dots between researching a product online, and buying, or viewing it in store before final purchase. ”



pulling together an outfit to purchase.

The customer’s tastes and needs are better understood because “AI connects the dots between researching a product online, and buying, or viewing it in store before final purchase,” Muhammed said. In the case of Single’s Day, the stores implemented “screens equipped with AI” that helped shoppers arrive at “purchasing decisions” on the basis of the AI’s “smart, data-driven suggestions

based on” what the store offers and the customer’s “digital footprint.”

He explained:

“AI leverages what’s best about human behavior – it matches preferences, behavior and shopping patterns with products in a unique way to provide shoppers with a customized shopping experience. Because AI hyper-analyzes data to create digital footprints of each shopper, consumers will see more items they’re interested in and likely to purchase. Increased probability of interest and conversion is not only good for the business, but also beneficial for the consumer who is now receiving a customized shopping experience based on their existing shopping patterns, browser activity and psychographic data from social media, such as what they like, share and post.”

Making that shopping trip more productive translates not just into improved sales and more effective upselling of “additional products because of the increased relevance of the brand,” he said, but into more satisfied customers. With such a winning formula, we are likely to see more sellers seek to leverage AI in 2018. ■



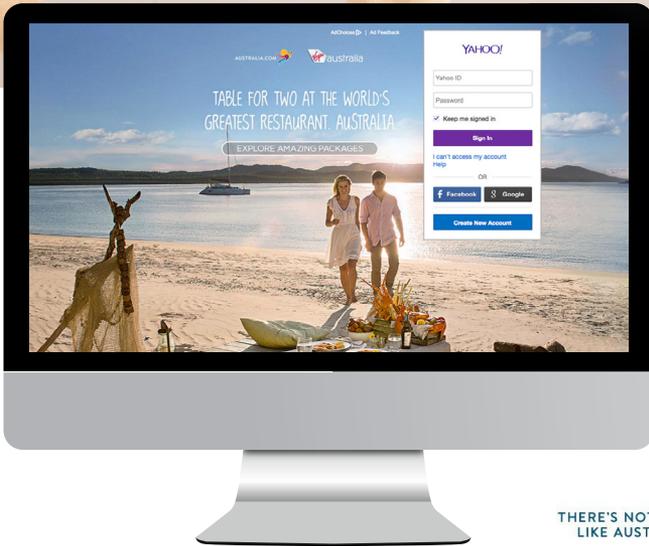
Getty Images



CASE STUDY:

Tourism Australia Connects With Travelers Through Native Advertising

Cetty Images



Oath

When Tourism Australia and Virgin Australia wanted to connect with American travelers, they turned to native advertising

By Amy Onorato

THERE'S NOTHING LIKE AUSTRALIA

virgin australia

Australia -- to the United States, it's the "land down under," a faraway place on the other side of the globe, filled with creatures, culture and history that can often seem out of reach.

So when Tourism Australia and Virgin Australia wanted to connect with

American travelers, they turned to native advertising to bring the fun of a foreign adventure to the forefront, creating a new experience that engaged potential tourists where they felt the most at home.

"Our goal was generating awareness of Australia's unique vacation experiences and highlighting Virgin Australia as a great way to get there," Jane Whitehead, Vice President, Americas, Tourism Australia, said.

In June 2017, Tourism Australia teamed up with Oath to launch the "This Time Tomorrow" campaign, a cross-channel endeavor which aimed to show travelers how easy it can be to jet-set around the world and satisfy their wanderlust -- all in a day's time.

"Through various creative and con-



“Consumers look to brands where they can trust the content. A marketer needs determine where to position...it needs to be relevant to them when aligning with brand solidarity.”

Courtney McKlveen, Head of U.S. Field Sales at Oath

tent executions we were able to bring to life the premium flight experiences and memorable adventures that you can have ‘this time tomorrow,’” Whitehead said.

Native advertising is a way for brands to connect with audiences by delivering relevant content through mediums that matter most to them, creating more authentic and relevant experiences that tie into their everyday user habits.

“Consumers look to brands where they can trust the content,” Courtney McKlveen, Head of U.S. Field Sales at Oath, said. “A marketer needs determine where to position...it needs to be relevant to them when aligning with brand solidarity.”

Great content lies at the crux of any successful cross-channel campaign. For Tourism Australia, that meant a blend of imagery and storytelling through traditional native ads and “carousel” formats, which allowed users to click through several images at a time — a tactic that can help bolster engagement by inviting viewers to click and interact with native experiences.

Their native strategy, distributed

across Oath’s Yahoo Gemini platform, worked alongside television, search, social, and display campaigns to target different travelers at different times.

“Compelling creative and content are really important at each point in the consumer path, to gain consumers’ attention and interest initially and then to encourage them to take further action to learn more and/or explore offers,” Whitehead said. “Running multiple versions of creative and copy enables you to learn and optimize based on what resonates with your target consumer.”

“Once a consumer gets there, what they experience is critical, especially in a campaign like this cross-channel,” McKlveen added, stressing the need for brands to think about their



Facebook: Lauren Bath Services and Photography by Jewelszee in Western Australia

web experiences on both mobile and desktop.

“Gone are the days where marketers can say ‘I don’t know about mobile,’” McKlveen said.

Throughout the month-long campaign, Tourism Australia saw a threefold increase in website traffic, with 33% longer time-on-site rates on average. ■



Facebook: @SeeAustralia, Kyle Rau Photography



Facebook:@SeeAustralia, Mark Fitz Photography



Facebook: @SeeAustralia, Andrew Watson Photography

Amazon Alexa May Give Voice To Targeted Marketing

As people are coming to expect the convenience of talking to their devices, companies like Google and Amazon are exploring new ways to monetize it

By Ariella Brown & Amy Onorato

We've seen a rapid evolution in shopping interfaces -- ranging from letting our fingers do the walking on our keyboards, to letting them swipe their way to what we seek on touchscreens. The next big thing, it seems, is a touchless interface made by possible by voice activation.

As people are coming to expect the convenience of talking to their devices, companies like Google and Amazon are accommodating that form of navigation and exploring new ways to monetize it.

When it comes to paid search and online ads, Amazon just doesn't quite compete with the likes of Google and Facebook, who dominate the space. Amazon, on the other hand, is estimated to rank fifth overall when it comes to digital ad revenue, making up around two percent of the market share.

But following a successful 2017 holiday sales season, there may be one place Amazon is gaining traction -- online retail. Research suggests that eCommerce could pose the biggest threat to Google's overall search dominance. According to Forrester, brand discovery for consumers is 2.5 times more likely to happen through Amazon.

Brands like Procter & Gamble and

Clorox are apparently in talks with Amazon about the possibility of advertising via Alexa. That would be a significant shift for Amazon, and a welcome move for brands who consider improving their position in voice search to be particularly advantageous.

While Amazon hasn't issued a public statement about a move towards voice assistant advertising just yet, the fact that Amazon recently began experimenting



“ According to Forrester, brand discovery for consumers is 2.5 times more likely to happen through Amazon. ”

with different forms of advertising to roll out this year is suggestive.

Alexa could give voice to what Amazon and other online sellers are already doing online -- offering related products, or letting the shoppers know what other shoppers bought in addition to that product. But Alexa's suggestions may not be limited to that. Suggestions could also be based on nudges that build on established patterns -- like recommending someone who buys one product a complementary item from the same brand.

Such auditory product placements would be far shorter and less intrusive than full-blown commercials. Voicebot.AI interprets the initiative as foreshadowing ads that simply prompt product awareness. But why stop at that? What brands particularly like about digital ads is that they are immediately actionable. There's a big advantage in an ad that can lead to purchase completion over an ad that merely makes a potential customer aware of a product that they may -- or may not -- choose to purchase further down the road.

While more relevant ads may be considered a good thing for brands looking to target effectively and the consumers

who are looking for relevant messages, there are always people who just don't like the idea of ads creeping in everywhere.

Either way, as digital advertising continues to become a more competitive space (one Magna Global report forecasts a 13% growth to \$237 billion in revenue this year) it's no wonder Amazon is boosting their efforts. Though little is known about what their exact strategy will be, we're sure they'll continue to be making headlines this year. ■

Holding Influencers Accountable: Using Big Data To Improve ROI

Influencer marketing is still a new practice, and many marketers still struggle with how to quantify success

By Amy Onorato

Celebrity tweets, product endorsements – no matter how companies do it, it’s clear influencer marketing isn’t going anywhere.

According to eMarketer, companies shelled out more than \$570M globally on influencer marketing in 2016 – turning to social media stars on Twitter, Instagram, Snapchat and YouTube to promote their brands to masses of dedicated followers.

But influencer marketing is still a new practice, and many marketers still struggle with how to quantify suc-

cess. According to a Linqia study, 78 percent of marketers surveyed said defining ROI was one of their biggest challenges when evaluating campaigns.

78%
OF MARKETERS:
“DEFINING ROI
WAS ONE OF THEIR
BIGGEST
CHALLENGES
WHEN EVALUATING
CAMPAIGNS”

Linqia

er things to consider when building a data-driven influencer marketing strategy for 2018:

Establish influencer marketing goals - and keep them

What role do influencers play in your customer journey? Typically, influencers are a powerful tool at the top of the funnel, with “shout-outs” and social promotions serving as drivers for brand awareness and validation through “celebrity-caliber” endorsement sent to an audience of dedicated followers.

But tracking metrics like social shares, impressions and engagement is only one piece of the puzzle. Sure, the exposure is great, but how much of that exposure ends up as customer acquisition or conversion?

“You have to be able to stitch the consumer journey together, to make



Getty Images

“According to eMarketer, companies shelled out more than \$570M globally on influencer marketing in 2016.”

sure you can measure the value of all touchpoints that are contributing,” Crawford said.

When mapping customer journey, evaluate how you want to attribute influencer contribution into your data set. Some metrics to consider:

- How much traffic influencer posts drive to your website
- How much revenue is generated from individual influencer posts
- What parts of the customer journey are impacted the most (initial interest, comparing products, final purchase, etc.)
- New customer vs. returning customer ratios
- Average order values

Like any marketing strategy, results from campaigns should be directly tied to ROI – not only to justify the budget, but to improve on it if you’re not getting the results you need.

Quality vs. quantity: the rise of the micro-influencer

When it comes to maximizing ROI, bigger influencers may not always be the better choice for your marketing strategy.

“I think in the beginning people were really attracted to the big influencers, the ‘Kim Kardashians’ of the world, where they have a large audience,” Crawford said. “But now, audiences understand that it’s a paid tweet, and that celebrity may not really use the products they’re endorsing.”

According to Hypr, companies can spend as much as \$10,000 per post on influencers with 500,000 to 1M followers. That’s a big price tag if you’re not targeting the right audience.

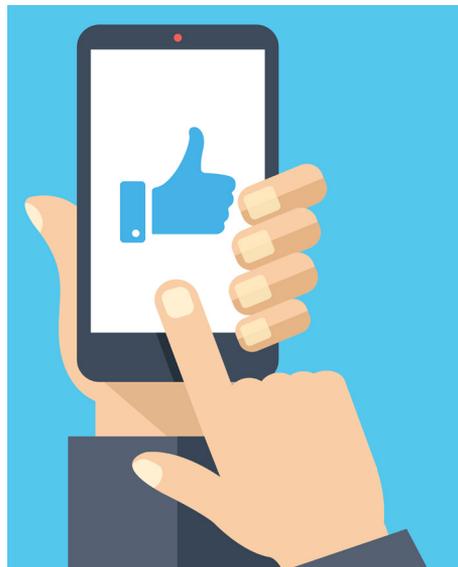
To improve ROI, Crawford suggests considering “micro-influencers.” These accounts are smaller, but still

have substantial followings — often in targeted or niche areas.

“When you get to the micro-influencers, their followers actually want to know what they think – they take the time to do reviews or have an opinion,” Crawford said.

There are several ways micro-influencers can benefit to your marketing strategy:

- **Better targeting:** Micro-influencers in specific niches can often attract quality audiences that better align with brand goals. When working with influencers, make sure you’re tracking the conversion paths tied to each post (as we mentioned before) to accurately gauge success.
- **Longer content cycles:** Utilizing evergreen content can help increase brand awareness longevity, reaching potential audiences long after that first plug. “With a large influencer, it’s one and done. They post and you pay the money – and there’s hardly any length to that post – it spikes and goes away,” Crawford said. “With mi-



Getty Images



Getty Images

cro-influencers, their content is more evergreen...they may be tweeting things that are also on their blog or on YouTube.”

- **More incentive:** Instead of paying upfront costs, consider options like revenue share, where influencers are paid a percentage of every conversion directly tied to their efforts. This will increase incentive for influencers to actively engage and promote your product or services.

Looking ahead

Structuring your influencer strategy for 2018 comes down to two things – analytics and accountability. Tapping into data will help marketing teams make the best decisions when it comes to partnerships and evaluating success. Strong data will also help track and define goals that can be directly attributed to campaigns.

“I think the trend of influencer marketing is still strong. In the earlier days it was more organic – it wasn’t really solidified. There was a lot of hope around it, and a lot of regret around it,” Crawford said. “I think now the data, the technology, the partnerships, and the understanding of what it takes from both sides has a lot of potential.” ■

Make your marketing dollars

WORK FOR YOU

Marketing Genetics Consumer Buyerbase delivers the response you need with world-class, response-driven data and analytics.

- Available Online and Offline
- Target by RFM, Source, Demographic/Psychographic Data
- Categories include
 - » Apparel
 - » Home/Garden
 - » Health
 - » Beauty
 - » Publishing
 - » and more

Include Marketing Genetics in your media plans and make your 2018 marketing dollars work for you.

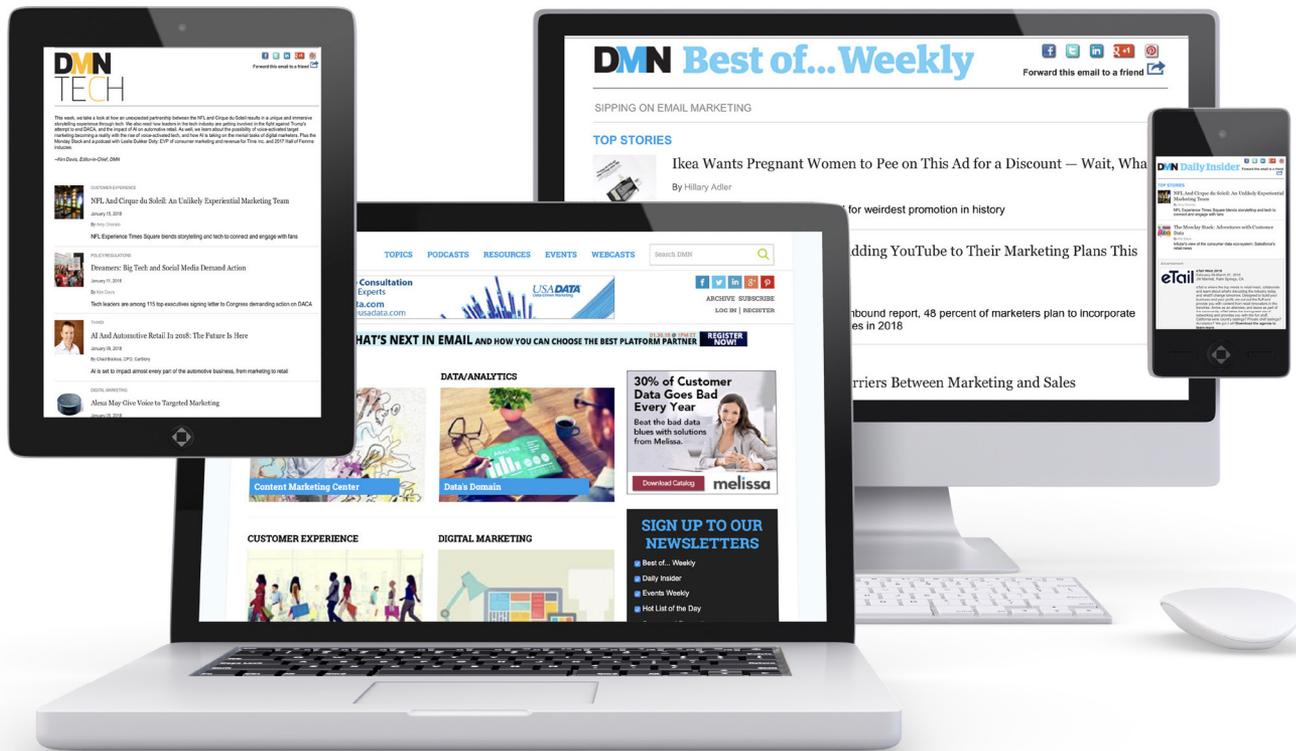
\$2 Trillion in Transactions
150 Million Individuals

**Contact Heather Winnicki-Mateus at Infogroup Media Solutions
402.836.5695, heather.winnicki@infogroup.com**

Marketing Genetics
FROM INFOGROUP MEDIA SOLUTIONS

DMN DATA. STRATEGY. TECHNOLOGY.

YOUR GO-TO SOURCE FOR THE LATEST DIGITAL AND DATA-DRIVEN MARKETING TRENDS.



NEWSLETTERS

DMN Daily Insider

A must-read for breaking news coverage and expert analysis on all aspects of marketing.

DMN Best Of..Weekly

Hitting inboxes every Friday, Best Of..Weekly highlights the week's top DMN articles (in case you missed anything!)

DMNTech Roundup

A weekly update on marketing technology, data and innovation from DMNTech.

DMNews.com

Data. Strategy. Marketing technology. Everything you need to do your job well.



Subscribe to any of our newsletters at DMNews.com/newsletters