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- **Fung Global Retail & Technology attended the second annual GrowCommerce conference in New York on July 27. The event focused on e-commerce and the issues retail executives are facing as they adapt to and compete within this fast-growing channel. This year, the conference centered on customer acquisition and growth. Panel topics covered customer acquisition and engagement, omni-channel marketing strategies, big data, marketing to millennials, and selling on Amazon.**
- **Customer acquisition costs, engagement, conversion and retention rates show that it pays to know and keep customers. Jonathan Pelosi, Head of Industry Mobile Apps for Google said that 17% of app users provide 85% of app revenue. Dennis Mink, Vice President of Marketing at Liftoff said that the customer acquisition cost for a mobile app averages $113.74, and that 90% of users delete apps within the first 90 days. Retention, therefore, represents a big opportunity.**
- **Consumers are interested in a total authentic brand experience, and successful brands use data insights to understand their customers at the microsegment level in order to optimize brand content, strategy and engagement at that level.**
- **Panelists said that future technology initiatives should include progressive web apps, conversational commerce apps and social buy buttons.**

Fung Global Retail & Technology attended the second annual GrowCommerce conference in New York on July 27. The event focused on e-commerce and the issues retail executives are facing. This year, the conference centered on customer acquisition and growth, and included sessions such as “Marketing Trends that Matter” and “Disruptive Forces to Watch.” The panelists included senior executives, managers and consultants who discussed customer acquisition and engagement, omni-channel marketing strategies, big data, marketing to millennials, and selling on Amazon. Scott Silverman, the former Executive Director of Shop.org and the co-founder of GrowCommerce, welcomed approximately 300 attendees and more than 30 sponsors. Three main takeaways emerged from the day’s panel sessions: customer retention is crucial, consumers want a total brand experience and retailers must keep up with technology.

DEBORAH WEINSWIG, MANAGING DIRECTOR, FUNG GLOBAL RETAIL & TECHNOLOGY
DEBORAHWEINSWIG@FUNG1937.COM US: 917.655.6790 HK: 852.6119.1779 CN: 86.186.1420.3016
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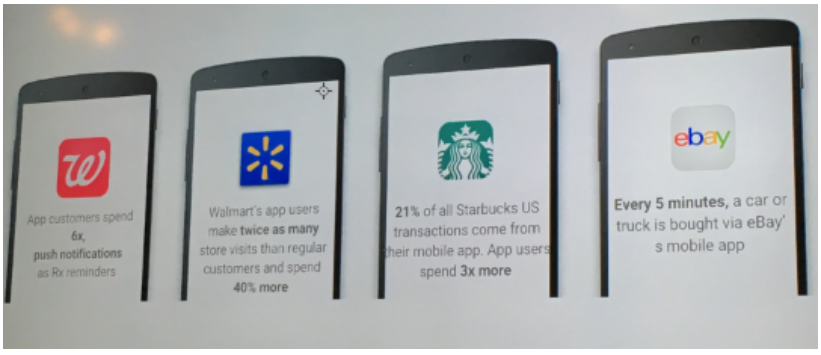
Retention Represents an Opportunity

Customer acquisition costs, engagement, conversion and retention rates show that it pays to know and keep one's customers. Jonathan Pelosi, Head of Industry Mobile Apps for Google said that 17% of app users provide 85% of app revenue. According to Dennis Mink, Vice President of Marketing at Liftoff, customer acquisition cost for a mobile app averages $113.74, and that 90% of users delete apps within the first 90 days. So, retention represents a big opportunity for retailers and brands, and they are continually thinking about how to engage and retain current customers while trying to acquire new ones.

Jonathan Pelosi, Head of Industry Mobile Apps for Google said that 17% of app users provide 85% of app revenue. According to Dennis Mink, Vice President of Marketing at Liftoff, customer acquisition cost for a mobile app averages $113.74, and that 90% of users delete apps within the first 90 days.

Customer acquisition and conversion: The average cost of acquiring a new customer is $113.74 according to Mink from Liftoff. Ryan Gibson, EVP of Marketing Strategy at Merkle, talked about social presence and how consumers react and feel when they engage with a brand, making the point that trust correlates directly with sales. Gibson noted that men's fashion brand JackThreads includes a social meter on its website that lets customers know how many other customers are on the site and searching for products at the same time. This strategy highlights the power of understanding what consumers are doing, being sensitive to how they feel in a given digital space and doing whatever it takes to convert them if they are not current customers. It is important for retailers to see the whole picture, Gibson noted, as ROI numbers do not include microconversions of customers who visited a site. The process of building a brand, and building trust in that brand, is an incremental one that occurs over time, he said.

Loyal users: According to Pelosi of Google, 17% of app users account for 85% of app revenue. Retailers that maintain relationships with these power users, and understand everything about them, have an edge when it comes to converting more users who share similar characteristics, Mink said. Jonathan Pelosi, Google's Head of Industry, Mobile Apps, Americas, provided examples of four company apps that have targeted customer needs and quantified the results. According to Pelosi:



Source: Google

- Walgreens has improved its customer pharmacy experience by implementing a prescription app to scan prescriptions. Customers who use the company's apps spend six times more than customers who do not use them.

DEBORAH WEINSWIG, MANAGING DIRECTOR, FUNG GLOBAL RETAIL & TECHNOLOGY
DEBORAHWEINSWIG@FUNG1937.COM US: 917.655.6790 HK: 852.6119.1779 CN: 86.186.1420.3016
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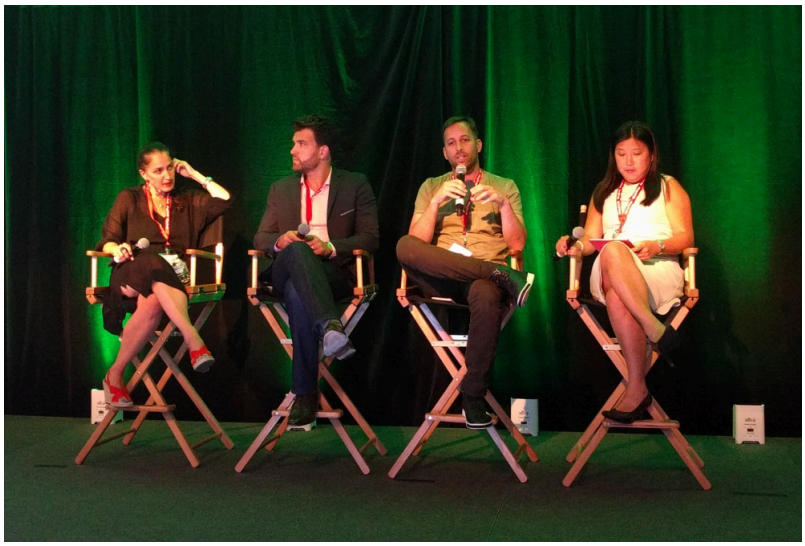
In the US, 21% of all Starbucks transactions come from the company's mobile app, and app users spend three times more than customers who do not use the app.

- Users of Walmart's Savings Catcher app make twice as many store visits as regular customers and spend 40% more.
- In the US, 21% of all Starbucks transactions come from the company's mobile app, and app users spend three times more than customers who do not use the app.
- Every five minutes, a car or truck is bought via the eBay mobile app.

Retention: Retention is the biggest challenge on apps. According to Mink from Liftoff, the average app loses 90% of users within 90 days following download. Brian Berger, CEO of men's underwear e-tailer Mack Weldon, emphasized that it is very important to create a product that is unique and differentiated, and to build the customer experience and long-term customer relationships in order to retain customers. He said that it is important to tell the brand story as part of the experience, noting that Mack Weldon had implemented a marketing strategy that relied on podcasts. Berger said the strategy was successful because it used a trusted and authentic voice to represent the brand. The company achieved a return of five times on its investment by using podcasts and was able to track their podcast's return on investment because the podcast was linked to a promo code.

Consumers Want a Total Brand Experience

The panelists talked about consumers wanting a total brand experience. Jim Hilt, EVP, Chief Marketing Officer and E-Commerce at Express Consumers said that are interested in a total, authentic, omni-channel brand experience, and many retailers and brands are using data to understand their customers at the microsegment level in order to optimize content, strategy and engagement at that level. Shoppers' interest in total brand content is driving the use of brand-related entertainment, music and videos, because customers want to buy a total experience, not just a product. Retailers can engage with consumers who browse Pinterest or BuzzFeed for hours by ensuring that their marketing and digital experiences reflect those consumers' interests across the physical and digital retail platforms.



DEBORAH WEINSWIG, MANAGING DIRECTOR, FUNG GLOBAL RETAIL & TECHNOLOGY
DEBORAHWEINSWIG@FUNG1937.COM US: 917.655.6790 HK: 852.6119.1779 CN: 86.186.1420.3016
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Retailers have access to a great deal of data, and many companies get an overload of information—dashboards of dashboards. The volume of data can paralyze decision makers if they do not know what to do with it.

Pini Yakuel, Chief Officer of Optimove said that retailers have access to a great deal of data, and many companies get an overload of information—dashboards of dashboards. The volume of data can paralyze decision makers if they do not know what to do with it. Hilt from Express talked about how to use data, and specifically, how to turn data into actionable insights. He said that companies must be learning organizations that test insights and propositions and must not be afraid Charlie to fail. Making choices, eliminating projects that are not working and redirecting resources into what is engaging customers will drive sales

Hilt said that retailers have to take a step back and look at what insights they are getting from data. Retailers must understand how customers behave with digital experiences because it will impact strategy and engagement choices, he said. Express turned data into actionable insights in four areas based on understanding its customers. First, the company decided that print was no longer a priority because customers were not engaged with print. Express reprioritized the print budget, and became a strategic partner of Snapchat because 41% of people under age 34 consume almost all of their digital media hours through Snapchat. By harvesting data insights, Express learned that Snapchat is a very effective tool for reaching its audience. In one week, Express gains more brand impressions on Snapchat than it does on Instagram in 12 weeks. Express also invested in content creation on YouTube, since 92% of Express customers use YouTube as their primary source for video content. Hilt said that Express has also invested in paid and organic content creation on Instagram.

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Olga Kay, CEO of sock brand MooshWalks, said her company continues to use customer insights at the microsegment level in order to keep the brand authentic and relevant. Prior to launching MooshWalks, Kay had a robust social media following, with 1.3 million followers on YouTube, Twitter and Facebook. Data insights suggested that her largest following on social media was teenage girls. She wanted to create a product that spoke to them, and so shared the process of creating socks with her online audience, including showing them all of her sketches. She said that she had many preorders because her audience was so engaged with the process. She also said that the socks are personalized, and that customers "adopt" them. She includes a handwritten note with each purchase. For Kay, understanding the data was the first step to understanding how to engage and deliver specialized content.

Ken Seiff, Managing Partner at Beanstalk Ventures, estimated that in five years, 20%–25% of all e-commerce sales will go through distributed commerce, which will include buy buttons and customer service channels.

Retailers Must Keep Up with Technology

Various panelists at GrowCommerce noted that retailers must get smart about progressive mobile web apps, conversational commerce apps, chatbots and social buy buttons. Progressive web apps use new technologies to bring the best of mobile sites and native applications to users. Google's Pelosi referred to these apps as "mobile sites on steroids." They are fast, installable, integrated and engaging, they work offline, and they can be used to push notifications to users. They are new and upcoming.

DEBORAH WEINSWIG, MANAGING DIRECTOR, FUNG GLOBAL RETAIL & TECHNOLOGY
DEBORAHWEINSWIG@FUNG1937.COM US: 917.655.6790 HK: 852.6119.1779 CN: 86.186.1420.3016
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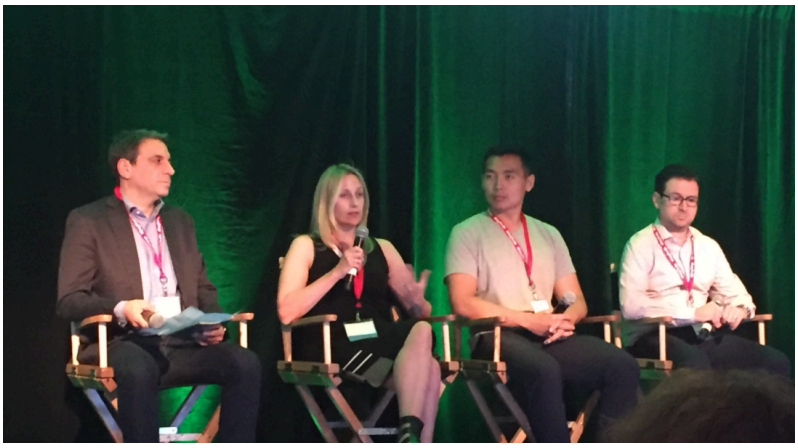

Distributed commerce is gaining momentum, and it includes conversational commerce apps such as chatbots and messenger functions. Ken Seiff, Managing Partner at Beanstalk Ventures, estimated that in five years, 20%–25% of all e-commerce sales will go through distributed commerce, which will include buy buttons and customer service channels. Carla Dunham, Vice President, Global Brand Strategy, Kate Spade & Company noted that chat dialogue provides an opportunity to deliver an exceptional, personalized brand experience, particularly for experiential brands. The messenger channels allow brands to connect, delight and excite customers in an unexpected way, Dunham said.

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Deborah Weinswig, CPA
Managing Director
Fung Global Retail & Technology
New York: 917.655.6790
Hong Kong: 852.6119.1779
China: 86.186.1420.3016
deborahweinswig@fung1937.com

Erin Shimdt
Research Associate

HONG KONG:
10th Floor, LiFung Tower
888 Cheung Sha Wan Road, Kowloon
Hong Kong
Tel: 852 2300 2470

LONDON:
242-246 Marylebone Road
London, NW1 6JQ
United Kingdom
Tel: 44 (0)20 7616 8988

NEW YORK:
1359 Broadway, 9th Floor
New York, NY 10018
Tel: 646 839 7017

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