Tapping in to the ‘transaction moment’

“Retail media” has emerged as a powerful digital advertising tool in recent years, allowing retailers to drive more value from every transaction by delivering tailored offers to their customers as they shop.

The booming retail media market is set to grow by 25 per cent annually and is racing towards US$20 billion, according to the Bodhi Consulting Group. By 2030, it predicts retail media will account for more than 25 per cent of total digital media spending.

“Whilst retailers typically concentrate on pre-purchase, there is a growing focus on the critical ‘transaction moment’ — when a customer is completing a purchase online, from cart to confirmation page. This moment in the checkout flow presents a new opportunity that complements existing retail media partnerships by allowing retailers to up sell customers with tailored offers from partners,” the article continues.

Brands’ retail media strategies will continue to power the browsing stage of the customer journey, but more and more brands will realise that offering optimised, relevant transaction experiences can unlock significant potential.

E-commerce growth skyrocketed as a result of the pandemic but now, as rising inflation and interest rates begin to bite, consumers will tighten their belts — meaning competition is set to become even more fierce.

Companies that crack the code to deliver on their customers’ preferences will have an edge over their competitors.

As the pandemic drives more Australians to shop online, the opportunity to seize on the “transaction moment” at the checkout in a physical store is diminished. With retail media, online retailers can ensure they continue to engage customers at this critical point in their shopping journey.

“Showing high-engaging and relevant offers in the moments consumers are most receptive will increase loyalty and value,” says Craig Galvin, senior vice president, APAC, at Rokt — an e-commerce technology company which focuses on the “transaction moment.”

“There’s a rare opportunity here for a one-dimensional transactional moment, which doesn’t replicate the reality of foot traffic experience of engaging with someone at the checkout,” Galvin says.

“When a customer has had a great shopping experience, and they’re still holding their credit card in their hand, it’s the perfect time to present them with a relevant and intuitive offer which extends that value of the shopping experience for everyone involved.”

Rokt is using machine-learning technology to help retailers present an offer that the customer is most likely to engage with. For example, if the shopper values VIP packages, the technology knows to prioritise a VIP experience offer. If the system knows the shopper lives outside of the Melbourne CBD but is buying an event in the city, it will know to prioritise a parking deal.

“Brands can identify valuable opportunity, test and take action based on their findings. Additionally, they can optimise across offer selection, creative and user experience, all within Rokt’s platform.”

“By providing the tools and data, our partners are able to validate the impact of an offer and can then make the optimal choice for their business and their customers, delivering the best outcomes for everyone,” Galvin says.

The technology seamlessly integrates with an online retailer’s existing technology stack to personalise the checkout experience and provide the retailer with an additional revenue stream that requires no upfront outlay.

“By using machine-learning technology, businesses can leverage their own first-party data at a time when digital advertising can no longer rely on third-party cookies,” Galvin continues.

This year, Google’s Chrome browser is set to follow Mozilla’s Firefox and Apple’s Safari in blocking third-party cookies. At this point, 90 per cent of browser traffic will be viewed untrackable by third-party cookies — forcing businesses to rethink their digital media strategy.

Retailers are starting to recognise the importance of making the most of all of their first-party data, not just to increase sales but also to generate new revenue streams via partner offers, Galvin says.

“Tapping in to the ‘transaction moment’ is an incredibly powerful opportunity to extract more value from first-party data, while still protecting privacy and the customer experience,” he says. “They might already be leveraging first-party data for their own insights, but retailers are leaving value and money on the table if they’re not looking at other ways that this data can be leveraged to create a better user experience and additional revenue streams, without having to invest any more time or effort.”

Rokt is the global leader in ecommerce technology, helping companies seize the full potential of every transaction moment to grow revenue and acquire new customers at scale.

Founded in Australia, the company now operates in 19 countries.