Adobe

Next on retailers' personalization shopping list: Real-time experiences.

How retailers can scale personalized experiences and deliver them in real time across all their channels.

Retailers have understood the importance of personalized shopping experiences for years. And individual channels, such as loyalty programs and high-touch in-person stores, can often achieve personalization excellence.

But things fall apart when retailers try to connect journeys across channels and personalize experiences in real time. In a study by Adobe and Incisiv, 56% of retailers said they don't personalize more than half of their shopper journey. At the same time, consumer expectations are higher than ever. In a McKinsey survey of more than 1,000 consumers, 72% said they expect the businesses they buy from to recognize them as individuals and know their interests.

It's essential to connect journeys across channels and personalize experiences in real time.

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of retailers said they don't personalize more than half of their shopper journey.

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of customers said they expect the businesses they buy from to recognize them as individuals and know their interests.

Although the pandemic drove retailers to new levels of digital maturity, personalization remains a struggle. "Less than half of retailers have a clear and detailed personalization strategy," explains Michael Klein, global director of retail industry strategy at Adobe. "This is not surprising, because personalization requires data and insights from all customer-facing parts of the organization, but most retail organizations remain siloed by channel."

For at least half of retailers, this means that no single executive or center of excellence is responsible for coordinating personalization efforts. And the customer data required for personalization is often scattered across multiple systems and only

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>
> **Michael Klein**
> Global Director of Retail Industry Strategy
> Adobe

unified every day or week through batch processes. "When this happens, experiences in one channel may not reflect customers' recent history in another. For example, a shopper might receive an online promo code for a discount on a product they just bought in a store," adds Klein.

Go beyond basic personalization: the 5-star shopping experience.

Today's shoppers have been trained to expect a high level of personalization by a handful of market leaders like Amazon and Apple. These companies apply artificial intelligence (AI) and machine learning to vast quantities of shopper data—and they provide experiences that are so closely tailored to each customer that it's sometimes uncanny.

"Shoppers have seen what's possible. Now they want this level of service from every retailer," notes Klein. For a retail experience to meet consumers' expectations, it must be:

- **Always on:** Customers should be able to get help at any time of the day, even outside of normal business hours. For example, a customer might try on a sweater they bought online after work and discover it doesn't fit. Even at midnight, they should be able to find the easiest way to exchange it.

- **Consistent across channels:** Experiences should be consistent across channels and reflect each customer's latest interactions with your business. A shopper who visits an ecommerce store and searches for green shirts might receive an offer for a popular green shirt as a mobile notification the next time they're in a physical store. Or let's say someone buys a computer and registers it for online support. When they reach out to the call center with questions, they shouldn't have to explain what make and model they own.

- **Content-rich:** Customers should receive content that's tailored to their interests and in the format they prefer. A shopper who enjoys fashion podcasts might be served audio ads and an invitation to hear an interview with a popular fashion influencer.

- **Mobile-friendly:** Smartphones have become an increasingly important way for shoppers to research and buy products. According to Adobe Analytics data from one trillion retail site visits between November 1 and December 31, 2021, there were six days when over 50% of US online sales came from smartphones versus just one day during the same period in 2020. Retailers must plan experiences that are exciting, personalized, and designed specifically for the mobile channel.

- **Predictive and proactive.** Experiences should anticipate what customers will need in the future and identify possible issues rather than simply reacting to problems and requests. For example, a cosmetics customer in Maine who regularly buys sunscreen online might get a reminder to buy more when their local weather begins to warm up.

# Learn what it takes to become a personalization leader.

While delivering personalized experiences in real time and at scale can be a daunting challenge, it is achievable—and not just for the Amazons of the world. According to research from Adobe and Incisiv, only 16% of retailers have personalized more than 75% of their customer journey.

This small group of leaders tends to make personalization a top priority. According to the VP of digital for a US-based general merchandise retailer that participated in the Adobe and Incisiv survey, "There is no silver bullet. We've been at it for a decade, and we are still learning. And it's so competitive; we have to continuously invest in upgrading our tools, analytics, and so on. All I know is that I can't take my foot off the gas."
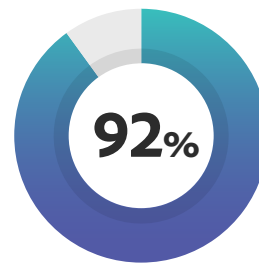
Study results show that personalization leaders have these things in common:

100%
use a feedback loop to continually improve personalization.
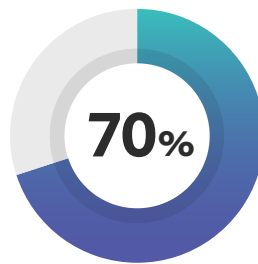
70%
have a single executive who's responsible for personalization.

92%
have implemented a personalization engine.

Build a tech stack to support real-time personalization at scale.

"A personalization engine is a great start, but it can't operate in a vacuum," says Klein. "For personalization to really work, you need a connected tech stack that can unify customer data and communicate in real time with every customer-facing system in your organization."

A personalization tech stack should combine technology that manages data and insights, content and collaboration, and the customer journey.

Data and insights

For successful personalization, you must be able to connect customer data stored in multiple systems inside and outside of your organization into profiles, pair it with contextual data, and then share it with platforms that can use it to deliver personalized experiences or glean insights from customer behavior. For example, a clothing company's mobile app might serve up product recommendations based on the customer's web search history, the weather where they're located, and current inventory levels. Adobe Real-Time Customer Data Platform makes all of this possible while refreshing customer profiles in real time.

Content and collaboration

All personalized experiences involve some kind of content, whether it's a web page, a video, an image, a guidebook, or banner promotion. And the more intensely personalized experiences you provide, the more content you will need to create and manage. Adobe Workfront is designed to streamline content creation workflows, and Adobe Experience Manager Assets keeps your content organized, accessible, and available to support digital experiences.

Customer journey

Today's customer journeys can be complicated and may involve many different touches and channels. They can also break down in many different ways and even contribute to customer churn. Retailers need the ability to orchestrate and personalize experiences that help progress shoppers through their individual journeys. They also need to identify and improve aspects of their customer journey that may be slowing customers down as they shop. Adobe Journey Optimizer helps you deliver better cross-channel customer journeys. And Adobe Customer Journey Analytics helps you take a deep dive into those journeys and uncover insights that can make marketing more effective while improving how customers experience your brand.
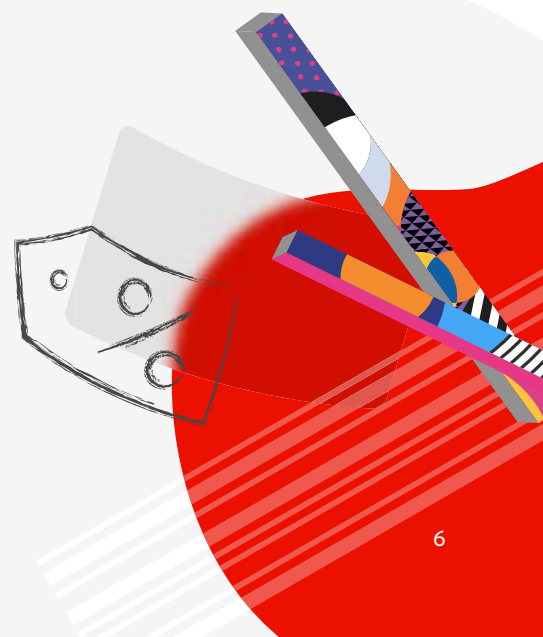
Take personalized retail to the next level.

Making personalization an organizational priority and building the right tech stack are both critical for any retailer that's ready to scale personalized experiences and extend them through the buyer's journey. In this eBook, we share advice from Medallia that can help you take personalized retail to the next level, no matter where you are today.

Making the business case for personalization at scale.

Marks and Spencer (M&S), one of the UK's largest retailers, partnered with Adobe to build a tech stack to personalize more than 500 million customer interactions each year. This journey took two years. And the first step was to convince the leadership team that investing in personalization could have a significant impact on revenues, margins, and customer lifetime value. "We were really focused," explained Alex Williams, head of growth and personalization for M&S, "on 'How do we create the cost structure for a team and a potential revenue stream where the return on investment of that approach made sense for us and we could manage it on a quarterly or annual basis?'"

Ultimately, personalization paid off for Marks and Spencer in a big way.

" We ended up hitting 1.5x our revenue target in the first year and 2x our revenue target in the second year.

Alex Williams
Head of Growth and Personalization
Marks and Spencer

Learn how Marks and Spencer made a powerful case for <u>personalization at scale</u>.

Medallia

Your customers have the answers.

Voice of the customer data can help you design a personalized retail experience that gets results.

Today's consumers are hard to please. Increasingly, they ignore one-size-fits-all offers and expect more custom services than ever, especially when they shop online. And marketers are getting the message loud and clear. In an Adobe survey of nearly 10,000 marketing professionals, 87% of senior executives said they believe customer expectations have been digitally rewired—and that success is defined by a brand's ability to respond.
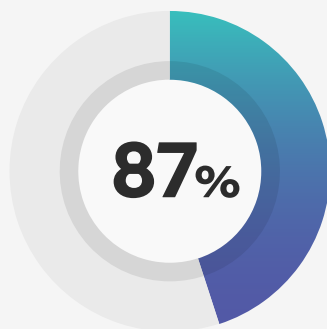
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For retailers, the pressure is on to move beyond basic personalization—like offers that target broad audience segments—to highly tailored experiences spanning multiple touchpoints that reflect each customer's history with a brand. The very best of these experiences are true one-to-one interactions, relying on real-time data to anticipate customers' changing needs from moment to moment.

The good news is that customers are always talking to you, in big ways and in small. Voice of the customer (VOC) data comes in many forms and may be stored in many different places, from your call center platform to your marketing database. Collecting this data, uniting it with behavioral and transactional data, and making it widely available are the key to delivering more relevant and personalized retail experiences..

Why retailers can't hear their customers.

The pandemic turbocharged online shopping and omnichannel fulfillment, but much of this growth was highly reactive in nature. New specialty systems were installed alongside legacy platforms as events moved faster than any technology plan. As a result, many retailers now rely on a handful of integrations to power their business while their VOC data remains siloed—locked away from the people who could use it to deliver better customer experiences.

For example, let's say a customer who ordered from a grocer's website leaves a negative review criticizing the produce. If the company's data sources are siloed, the negative review and the order that sparked it may never become visible to the customer care team. Even worse, the marketing team might unknowingly send the dissatisfied customer a coupon for more produce while the original complaint remains unresolved.

Getting the data to your people.

The solution to these challenges is to connect your VOC data to sales and behavioral data that already resides in your customer profiles. VOC data can include responses to digital forms, chat and voice transcripts, call center records, satisfaction and "likely to recommend" scores, and more. It can provide valuable context for customer histories and help customer-facing employees throughout your company—from service and sales reps to marketing—design better and more personalized customer experiences.

How does this work in real life? Consider a beauty company that has just launched a new pastel eye shadow palette. Their marketing team might prioritize promotions targeting customers who are likely to recommend products to their friends and family and have a documented interest in pastels. Or the team might empower beauty consultants to share special offers with customers who have asked about pastels repeatedly when interacting with chatbots.

Some customers willingly express their opinions. Many others remain silent—but that doesn't mean they aren't showing signs of frustration or enjoyment. Medallia's technology can observe specific behaviors across digital properties, identifying and triggering these behaviors to drive actions.

Better together: Adobe and Medallia.

Medallia's VOC solutions capture signals from in-person and digital channels and analyze them to generate insights. Medallia can capture observed behaviors, identify frustration or engagement with personalized experiences, and collect feedback. Both types of data can be used to enrich segments in Adobe Real-Time Customer Data Platform, enhance analysis in Adobe Customer Journey Analytics, and provide events and triggers for Adobe Journey Orchestration.

Medallia, an Adobe Premier Partner and the 2022 Adobe Digital Experience Technology Partner of the Year, has established out-of-the-box connectors for sharing data with Adobe Experience Platform through streaming or batch processes.

The voice of the customer in action.

DICK'S Sporting Goods, the largest sporting goods retail company in the United States, serves its customers both online and in store. One of its marketing team's biggest challenges was figuring out why customers would sometimes abandon their digital shopping carts. The team tackled this problem by using Medallia for Digital to collect VOC insights using customer surveys launched on web and mobile channels. As a result, they were better able to understand what customers really needed—and turn shopping carts into purchases.

"We can now understand customer priorities better by launching and turning around these surveys with Medallia, then pairing the information with Adobe Analytics insights and matching things like bounce rates and high traffic pages," says Miche Dwenger, VP ecommerce experience for DICK'S Sporting Goods. "We can then pass that information along to these stakeholders— people who deal with cart issues, people who buy products for the site, people who handle messaging—so they can enhance their piece of the customer experience."

Take the next step.

The sooner you start listening to your customers, the sooner you can transform your retail experience. Adobe and Medallia can help you design a voice of the customer program and use VOC data to inform personalized experiences for the entire customer journey.

Medallia

About Medallia

Medallia is the pioneer and market leader in customer, prospect, employee, citizen, and patient experience. The company's award-winning SaaS platform, Medallia Experience Cloud, is becoming the experience system of record that makes all other applications customer- and employee-aware. The platform captures billions of experience signals across interactions including all voice, video, digital, IoT, social media, and corporate messaging tools. Medallia uses proprietary artificial intelligence and machine learning technology to automatically reveal predictive insights that enable personalization at scale to drive powerful business actions and outcomes.

Medallia customers reduce churn, turn detractors into promoters and buyers, create in-the-moment cross-sell and up-sell opportunities, and drive revenue-impacting business decisions, providing clear and potent returns on investment.

Learn more

Adobe Experience Cloud

Adobe Experience Cloud is the most comprehensive suite of customer experience management tools on the market. With solutions for data, content delivery, commerce, personalization, and more, this marketing stack is created with the world's first platform designed specifically to create engaging customer experiences. Each product has built-in artificial intelligence and works seamlessly with other Adobe products. And they integrate with your existing technology and future innovations, so you can consistently deliver the right experience every time.

Adobe Experience Platform

Adobe Experience Platform makes real-time customer experiences possible. As the foundation for Adobe Experience Cloud products and services, Experience Platform is an open system that stitches together customer data from every interaction through every channel in real time. The result is true, comprehensive customer profiles that drive relevant experiences for every customer. And it gives you the ability to analyze the data that really matters for customer experience, to train artificial intelligence and machine learning models that put your customers first, and to connect all your customer experience technology to a single source of truth.

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