Magento Commerce

Adobe

EBOOK

Design a Tailor-Made Commerce Experience

Personalization 2.0 allows fashion and apparel companies to deliver a bespoke experience for every customer

Personalization 2.0

How quickly you adopt it could make or break your fashion and apparel business.

Today's fashion and apparel companies are facing an unprecedented competitive challenge. More retailers are adding new webstores and selling through marketplaces like Amazon to capitalize on the pandemic-era rise in online shopping. It's harder than ever to stand out.

Meanwhile, market conditions are increasingly tough. Projections suggest that global retail growth in the coming year will reach only half of pre-COVID-19 forecasts.[1] And consumers are spending less on apparel in response to uncertainty. Nearly half said they spent less on apparel online in August 2020 than they had before.[2]

To win in this environment, fashion and apparel merchants must deliver an exceptional customer experience. One of the most promising ways to achieve this is to personalize your digital experience. **63 percent** of consumers expect personalization as a standard of service.[3] And **48 percent** say they have left a website after having a poorly curated experience.[4]

Advanced personalization strategies, collectively known as personalization 2.0, can help fashion and apparel businesses deliver a custom-tailored digital shopping experience. These strategies typically rely on emerging technologies like artificial intelligence (AI) to zero in on what customers need at every stage of the customer journey. They are also fast becoming popular. A survey of 400 eCommerce leaders revealed that **89 percent** plan to use AI by next year.[5]

Rapid adoption of better personalization can help fashion and apparel companies get ahead of the competition. **This eBook will explain what personalization 2.0 looks like, and it will cover two critical strategies that can help you craft a truly bespoke digital shopping experience.**

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Why you need better personalization

Today's fashion and apparel consumers have been trained to expect a high degree of personalization from Amazon, which is now the top fashion retailer in the US.[6] Depending on what you do on the site, you'll see highly rated recommendations, "also bought" recommendations, "also viewed" recommendations, and more.

Consumers also expect to see highly personalized content. Nearly **70 percent** of consumers say it's important for brands to automatically adjust the content they see based on their current context for a real-time personalized experience.[7] From a customer's perspective, this means that all the content you see on a website needs to be relevant and closely connected to your interests.

More personalization yields bigger shopping carts

In a Forbes Insights survey of 200 marketing leaders, **40 percent** of executives said their customer personalization efforts have directly affected cart size in direct-to-consumer channels such as eCommerce.[8]

40%
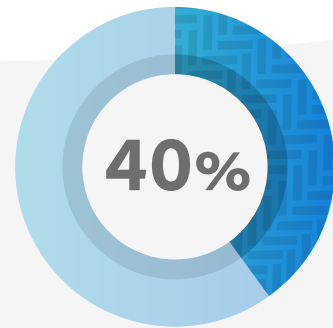
Personalized product recommendations and personalized content are a powerful combination that collectively represent what we think of as personalization 2.0. Until recently, they have been the exclusive domain of retail giants, which used either proprietary technology or very large eCommerce and marketing teams to deliver them. But that's quickly changing. New commerce technologies, including AI, have made personalized product recommendations and content more accessible to businesses of all sizes.

Personalized product recommendations make shopping effortless

Every customer has their own fashion style and preferences. They know what they like, and they don't want to spend a lot of time clicking through pages and pages looking for the right outfit. The search can be tiring. Sometimes, shoppers just give up.

Personalized product recommendations are a game changer. Just as in-store sales reps can help your customers find what they're looking for on the floor, personalized product recommendations can surface products customers really need but may not be aware of.

It's no surprise, then, that product recommendations can help you sell more and increase average order value. For example, Amazon generates **35 percent** of their revenues from product recommendations alone. Likewise, online shoppers who engaged with a recommended product had a **70 percent** higher conversion rate during that session.[9]
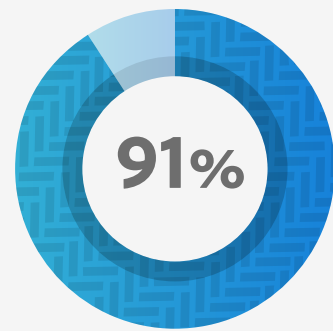
You can build personalized product recommendations manually—but you shouldn't

Product recommendations can be done manually through rules that you apply to your commerce platform, but it's not a scalable process. It is extremely time-consuming and typically requires a large team of analysts. And your rules will need to be revamped repeatedly throughout the year as seasons, SKUs, and buying cycles change.

91%

A recent survey found that **91 percent** of consumers are more likely to shop with brands that recognize them and provide relevant offers.[4]

Even worse, your manually input rules will quickly become stale or even inaccurate, which can cost you customers. In one survey of 1,000 retail customers, **38 percent** of digital shoppers said they would stop shopping at a retailer that made poor product recommendations.[10] Finally, with manually applied rules, you can't provide recommendations in real time.

There's an easier way to recommend products

Product recommendation engines use AI-driven algorithms to analyze massive amounts of data automatically in order to recommend the most relevant items to a particular user in a given context. They can be personalized according to user-specific data or generalized for anonymous users browsing your web pages. And they may be integral to your commerce platform or added to it through a flexible API or extension.

Choosing a high-quality solution for personalized product recommendations

Artificial intelligence incorporating machine learning is the gold standard for product recommendations. With machine learning, recommendations are developed in response to user behavior rather than by static rules. As users explore your site, machine learning can customize recommendations to their browsing behavior. It gets better as it "learns" over time, so recommendations never get stale. In contrast, manually defined recommendations age quickly and must be updated by hand every quarter—or, in some cases, every week.

However, even if a product recommendation engine incorporates machine learning, that doesn't mean it's mature or has been proven to work in real-world shopping environments.

To determine if a product recommendation engine is battle-tested, ask questions like these:

- How long has your company been in business?

- Does your company have a history of innovating with AI?

- What does your product development team look like? Does it include engineers and business experts?

- How long has your product recommendations engine been on the market?

- How do you test new features and functions?

- How many customers do you have, and in what industries?

- What are market analysts saying about your product recommendations engine?

Personalized Product Recommendations powered by Adobe Sensei

Today, Magento Commerce comes with personalized Product Recommendations powered by Adobe Sensei, Adobe's machine learning technology. It automatically analyzes the behavior of shoppers on your site—such as their product views, items added to carts, and purchases—and combines that information with product catalog metadata such as name, price, and so on. The result is product recommendations that are engaging, relevant, and personalized—with no coding, manual analysis, or headaches.

The engine provides nine different types of recommendations:

- Trending

- Product-based recommendations
    – Customers who viewed this also viewed...
    – Customers who viewed this also bought...
    – Customers who bought this also bought...

- Shopper-based recommendations
    – Recommended for you

- Content-similarity-based recommendations
    – More like this

- Popularity-based recommendations
    – Most viewed
    – Most purchased
    – Most added to cart

35%

Amazon generates 35 percent of their revenues from product recommendations alone.[9]

70%

Online shoppers who engaged with a recommended product had a 70 percent higher conversion rate during that session.[9]

Personalized content makes customers feel understood

Content is critical. It's how customers can find you on Google. But for fashion and retail businesses in particular, it's also an important way to connect with your customers and earn their loyalty. For example, providing fitness-related content and outfit tips to customers who love running and cycling can deepen their relationship with your brand.

Also, personalized content motivates purchasing. Nearly **90 percent** of consumers rate product content very highly when deciding to buy.[11]

Why personalized content is so difficult to get right

The three biggest hurdles to creating and delivering personalized content are time, cost, and technology. For many fashion and apparel companies, adding new content to their commerce store requires either working with IT or a third-party agency to develop code. It can also take time to stage, test, and modify content before it goes live.

Then, once your content has been produced, you also have to get it in front of the right people—and only the right people. This means your commerce platform must offer some kind of personalized content targeting or segmentation.

What to look for in a personalized content solution

A high-quality personalized content solution should allow you to create new content, stage it, and publish it with no code required. It should also make it easy to pull in stock art and support a wide variety of media types, including video, images, downloadable files, surveys, etc.

Ask these questions when you're evaluating options for personalizing content:

- Does it support no-code content creation and updates?

- What kinds of media does it support?

- Can we use it to stage and preview content before publishing?

- Is it integrated with a royalty-free stock photo service?

- Does it also include a content targeting and segmentation engine?
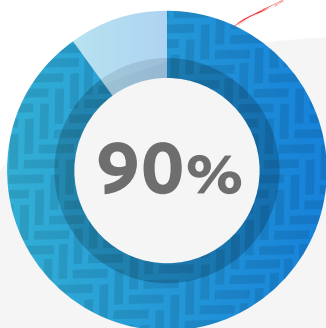
90% Personalized content motivates purchasing. Nearly **90 percent** of consumers rate product content very highly when deciding to buy.[11]

Page Builder and segmentation in Magento Commerce

Page Builder, which is only available with Magento Commerce, is a suite of content creation tools that make it easy for merchants to create and publish content pages without a developer. Once it's set up and connected to your theme, you can quickly create pages with flexible drag-and-drop layouts and reusable content blocks.

Page Builder is also integrated with Adobe Stock Integration, so you can access 120 million different photos, illustrations, and graphics, all within the Page Builder interface. It is seamlessly connected to Product Recommendations powered by Adobe Sensei, so you can add personalized product recommendations to any page.

Finally, you can use the segmentation feature in Magento Commerce to define exactly who will see your content.

Catbird wins with custom jewelry and personalized product recommendations

Described by The New York Times as "the cool-girl jewelry go-to," Catbird creates captivating, custom jewelry on demand. Their stunning necklaces, rings, and bracelets are all manufactured at the brand's iconic offices in Brooklyn, New York, and are often seen on celebrities.

When Catbird launched their webstore, it grew fast. In fact, it grew so fast that they decided to invest in a more advanced and personalized online experience to keep the momentum going. They switched to Magento Commerce, which allowed them to redesign their mobile experience, add personalized product recommendations, and easily create and swap in new content.

Even better? The new site is already paying for itself.

Read the full success story.

> " Our new, responsive Magento Commerce site has increased our conversions and elevated the brand to new levels. No one else in our industry sees the conversion rate or has the flexibility of content that we do.

Anna Wessel

Director of eCommerce, Catbird

For your customers, it's personal

Advanced personalization can make the difference between success and failure for fashion and apparel merchants competing online today. It can help you build a truly differentiated customer experience and position your business to win through these uncertain pandemic times and beyond. The faster you act, the faster you will pull ahead of the competition.

Ready to learn more about personalization 2.0 in Magento Commerce?

Demo Magento Commerce today.

Sources

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ADOBE EXPERIENCE CLOUD

Adobe Experience Cloud is the most comprehensive suite of customer experience management tools on the market. With solutions for data, content, engagement, commerce, personalization, and more, Experience Cloud is built on the world's first platform designed explicitly for customer experience. So each product is infused with artificial intelligence and works seamlessly together, but also integrates with your existing technology and your future innovations so you can consistently deliver the right experience every time.

MAGENTO COMMERCE

Magento Commerce is the world's leading digital commerce platform. With Magento, you can build engaging shopping experiences for every type of customer—B2B, B2C, and B2B2C—on a scalable, enterprise-level, open-source platform with unparalleled security, performance, and low total cost of ownership. Businesses of all sizes use Magento to reach customers wherever they are, across devices and platforms, including marketplaces. More than a flexible shopping cart system, Magento is the building block to business growth.

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