



# Data: Retail's most important inventory.

How retailers are using cross-channel information to personalize customer experiences.



Twenty-four hours before this weekend's family camping trip, Charlie realizes he forgot to get new sleeping bags. A quick check of the Dick's Sporting Goods app lets him know what's in stock at the closest store and available for curbside pickup. The app also suggests some skewers perfect for roasting marshmallows by the campfire—the kids will love that. In less than 10 minutes, he's secured everything he needs and can pick it up on the way home. And because he's a member of Dick's loyalty program, the app sends a friendly reminder of the points he has available to redeem for his purchase. Score.

Charlie is just one of millions of Dick's shoppers who experience a better shopping trip because of real-time personalization. In one of the toughest retail environments, Dick's is a pandemic-era success story and a category leader. But success didn't happen overnight. Dick's prepped for an omnichannel future for years by building a strong data foundation. A robust website and mobile app allow them to act on real-time insights in exactly the right moment. As the shopping experience boosts customer satisfaction, the company's loyalty program has grown to 20 million members and counting, attracting strategic partners like Nike. The bar is higher

than ever when it comes to customer expectations. But when you're powered by real-time data, you can deliver exceptional customer experiences that reach millions of shoppers.



We have always prioritized meeting the customer where they are, whether that is inside of a retail location or digitally through our ecommerce platforms. We didn't realize how valuable this would become in the midst of a global pandemic, when our customers unleashed their inner athletes and needed us to show up for them in new ways.

**Steve Miller**

SVP Strategy, Ecommerce, and Analytics, Dick's Sporting Goods





# Personalization in a future without cookies.

People are spending more time than ever consuming content and shopping online. Most companies rely on the accessible ease of third-party cookies to understand and engage those customers—an Adobe survey revealed that 60% of personalization use cases depend on them. But with growing concerns about privacy and how customer data is used, third-party cookies are being phased out on a larger scale in the browser industry. By the end of 2023 Google will phase them out from Chrome, which accounts for more than two-thirds of the web browser market.

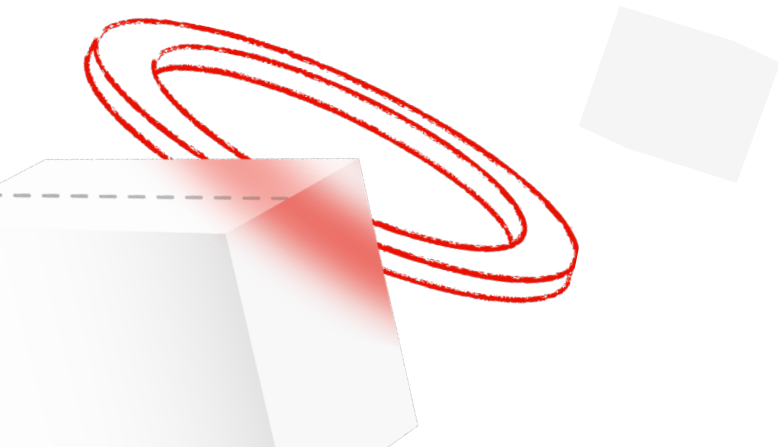
Despite this, Adobe found three out of five brands still aren't ready for a cookieless future. Yet the long-term success for brands depends on adapting to this massive shift in the digital experience landscape, affecting customer acquisition and retention. To succeed in a world without third-party cookies, brands need to have strong first-party and second-party data capabilities. With the right technology in place, retailers can create a unified profile of every customer and deliver personalized shopping experiences at scale.

First-party data—information you own that is collected directly from customers—gives retailers an opportunity to measure ad effectiveness and other business KPIs. The question is if brands can capture, manage, and protect this rich source with the right technology, especially in the face of privacy guidelines like CCPA (CA) and GDPR (Europe). Second-party data, which comes from

strategic partners or advertisers, will also be a more important source of personalization as privacy-first workflows become the norm. The ability to use second-party data expands your reach and interactions with audiences. As a retailer, that might look like partnering with other retailers with overlapping audiences or with technology vendors that can deepen customer engagements by capturing digital customer insights.

Personalization will be crucial for delivering better customer experiences. According to Adobe and Econsultancy, 78% of retail respondents say that personalizing in-store experiences based on online behaviors will be either “important” (40%) or “critically important” (38%) for meeting customer expectations. To do so requires a fully rounded view of the customer that can only be achieved when interactions and behaviors are connected across different channels and environments.

This is the reality of the cookieless future. The higher the degree of personalization, the better the customer journey. Building out strong first-party and second-party data capabilities ensures you have the right foundation to get there.





# Build your first-party data foundation.

As access to third-party cookies vanishes, first-party data will become ever more important. Today, first-party relationships are informed by a wealth of touchpoints. Even on a single shopping checkout page, you can collect raw data indicating different traits like gender, interests, housing type, location, and more. Going back to our Dick's example, if a shopper purchases a lot of camping gear, they're likely interested in the outdoors. Based on the shipping and billing addresses, the purchase might be for an individual trip or on behalf of a company retreat.

The Home Depot collects data from both online and offline channels, including website activity, in-store sales, call center volume, return volume, order cancellations, and more. Putting together these disparate metrics, The Home Depot took advantage of something every customer already has: a mobile phone. Customers can input their shopping lists into The Home Depot app, and once they reach the store, the app directs them to the right aisle and bin number to find the exact product they need. While there, customers can read reviews, follow how-to videos, and get product details for a seamless, engaged experience.

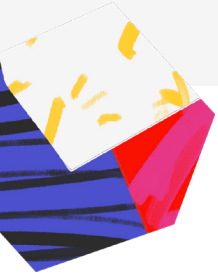
Building a first-party data foundation is an investment, but owning the data is well worth the effort. This step is key to differentiating your brand with customers and giving them what they want, when they want it, resulting in lasting loyalty.

“

Data is the lifeblood of personalization.

**Michael Klein**

Global Director, Industry Strategy and Marketing, Adobe





# Forge real relationships. In real time.

Every click on your website, social media properties, or apps is part of the customer's journey. With so many sources of information, it's both a wealth of insights and a struggle to make sense of it all. It's an overwhelming task to translate hundreds of data points into a cohesive view, whether those data points are external, internal, known, or pseudonymous (including no directly identifiable information).

By unifying all customer data into a single view, you can connect that data to the actual person via a real-time profile. And when customer experiences are at stake, you need to act quickly. A cloud-based customer data platform (CDP) makes personalization at scale possible with the power of artificial intelligence (AI) and machine learning (ML). AI and ML present data insights in a standardized format so they're easy to analyze, understand at a glance, and activate—saving you time and resources.

For example, if someone leaves an item in their cart without checking out, you could see their past interactions with you, whether they've browsed similar items, or if they've viewed this

# 16%

Of more than 300 retailers surveyed, only 16% qualify as personalization leaders. Of those, 81% have a unified view of personalization.

Source: Incisiv and Adobe



item multiple times without purchasing. Because these enriched, privacy-ready profiles automatically update in real time, there's no need to manually stitch together thousands of data points. You can quickly make decisions on the products or services to drive customers toward the experiences or offers most likely to prompt conversions.

At a "retailer's like Dick's," a first-time shopper who comes in for tennis balls, for instance, could receive content in the future on tennis equipment or apparel instead of new wrestling gear. Another customer who had an unsatisfactory experience with the company should instantly receive a personalized email with a discount to encourage the customer to give the team another chance. More value can even be delivered to loyalty program subscribers by personalizing perks so that shoppers get the most out of their membership. Using the latest data collection technology allows you to connect an abundance of real-time data from customers—wherever they are, on whatever device they're using—to personalize at scale.



2022 for us is going to be the year that we get to know our customers better. It's going to be the year that we really double down through our loyalty program and through a number of initiatives, to get to know our customer on a personal level, and with their permission, use that [information] to create the right experiences for them.

**Avery Worthing-Jones**

Senior Vice President of Product Management, Gap Inc.

# Real-time customer profile

## Identities

ECID: 4647729...  
UUID: 46378701...  
CRM ID: YAuPQ1K...  
Email: csmith@example.com

## Devices

Desktop  
Mobile

## Segmentation

Loyalty member  
New user



## Customer profile



### Customer: Charlie Smith

Name: Charlie Smith      Age: 33  
Email: csmith@example.com      Country: United States  
Gender: Male

## Experience events



### Mobile

- Scroll on app
- Add product to cart for curbside pickup
- Bookmark additional products for later



### Cross-channel


- Redeem loyalty program points
- Opened, scanned



### Desktop

- Visit website
- Sign up for newsletter
- Click on product page
- Leave website

Real-time customer profiles offer an all-encompassing view of who your customers are and where and how they're engaging with you. When Charlie needed sleeping bags at the last minute for his camping trip, you can see he used the app and then bookmarked related items for later. This presents an opportunity to deliver a relevant offer or recommendation through the relevant channel when his behavior signals interest in these items.



# Grow your audience with strategic partners.

Teaming up with the right brands to leverage second-party data can open new doors and expand your existing real-time customer profiles. Second-party data is first-party data that two or more parties share for mutual benefit. It can happen on a retailer-to-retailer basis or even with trusted technology partners that can build integrations with their identity partners. It's a win-win relationship.

As a relationship that puts customer privacy first, second-party data requires audience overlaps and shares only the segment of customers you have in common with your data partners. With growing scrutiny from consumer and privacy advocates, it's crucial to invest in technology that allows this segmented data to be exchanged in a secure, governed, and privacy-friendly manner.

Strategic partnerships can form across seemingly unexpected categories. Bed Bath & Beyond collaborated with Kroger to offer a selection of its home, baby, and wellness products to Kroger customers online and in select stores. The partnership opened up revenue opportunities, shared audience segments, and strengthened the retailers' relationships with their customers.

Retailers can also partner with technology brands. Dick's streamlined its ecommerce experience by partnering with Medallia for Digital, which helps companies capture feedback across web and mobile channels. Listening and responding to the voice of the customer through targeted, agile surveys proved to be a fluid and efficient system. Across a unified customer view, Dick's could find answers to questions like why a customer abandoned their cart and solve for it. By improving customer experiences, Dick's ecommerce success speaks for itself, with bounce rates decreased by 50 basis points and exit rates lowered by 40 basis points.





# Your data is valuable. Make the most of it.

First-party and second-party data has become even more valuable in the past several years as a way to earn revenue through retail media networks (RMNs). Retailers are increasingly seeing the value of investing in RMNs as an opportunity to have a media network similar to that of Google's.

RMNs were originally advertising platforms set up on retailers' websites or digital properties but now include the monetization of first-party data, insights, and out-of-home or in-store tactics, which were previously held by retailers' merchant organizations. They've emerged and accelerated in the past few years as a high-margin revenue stream for retailers and offer diverse opportunities in email sponsorship, search, onsite brand pages, and offsite media.

From a security perspective, RMNs also allow for brands and retailers to safely share audiences and data through "clean rooms." In a clean room, both parties retain control of their own data for mutual benefit. There are logistical hurdles with bringing together data from different sources and formats, but this kind of arrangement can be highly successful with the right tools to standardize and manage the aggregated information. With the wealth of first-party data from increased digital shopping and engagement during the pandemic, the value of RMNs and advanced data sharing techniques will only increase in a cookieless future.

In the consumer goods category alone, 81% of brands intend to grow their investment in RMNs in the next year, according to Merkle. And 90% of retailers are engaging regularly with advertisers' agencies to support RMNs, indicating a shift to a more sophisticated approach to managing their programs. RMNs are a growing attractive option for advertising spend beyond traditional advertising platforms. Enabling the power of first-party data provides a unique understanding of a brand's target audience—well worth the investment for the possibilities of personalization.



# The future of personalization, powered by data.

With three out of five brands still unprepared for the disappearance of third-party cookies, those who recognize the importance of first-party and second-party data and have a plan in place to maximize it will reap the rewards of personalization at scale.

With a strong first-party data foundation, you can collect and own your unique data across every channel. With real-time unified customer profiles unlocked by the right technology, millions of data points turn into insights that drive action. And with strategic partnerships, your audiences expand bigger than ever and customer profiles are enriched with privacy in mind.

The bar for exceptional customer experiences is only getting higher, and the necessity for retailers to know their customers has never been greater. Set yourself up for success by understanding exactly where your customers are—and meeting them there.

Dive into the topic of personalization in the retail industry by reading the report *[Looking Closer at Retail Personalization: A Report on Region and Sub-Industry.](#)*

Learn more about how Adobe solutions, including [Real-Time Customer Data Platform](#), help retailers manage data and deliver personalized experiences.

[Learn more](#)

# Sources

["2022 Digital Trends: Retail in Focus,"](#) Adobe and Econsultancy, 2022.

Amit Ahuja, ["The Shift to Cookieless Will Change Marketing Forever: 5 Reasons to Get There Ahead of the Competition,"](#) Adobe, July 12, 2021.

["Dick's Streamlines Its Ecommerce Experience,"](#) Adobe partner story for Medallia.

["The Evolution of Retail Media Networks,"](#) Merkle, 2021.

["Failure to Scale: The State of Personalization in Retail and Travel,"](#) Incisiv and Adobe, July 2021.

Lauren Thomas, ["Nike and Dick's Sporting Goods Integrate Loyalty Program, as the Pair Strengthen Ties,"](#) CNBC, December 11, 2021.

ModernRetail, ["Dick's Sporting Goods Is Using Its Loyalty Program to Better Target Customers,"](#) November 16, 2021.

Nick Mclachlan, ["Five Things You Can Do to Prepare for a Cookieless Future,"](#) Adobe, April 27, 2021.

Seb Joseph, ["WTF is a Data Clean Room?,"](#) Digiday, March 1, 2019.

Shanhong Liu, ["Global Market Share Held by Leading Desktop Internet Browsers from January 2015 to September 2021,"](#) Statista, January 10, 2022.

Stephen Frieder, ["Dick's Sporting Goods and Adobe Experience Cloud to Drive Mass Personalization,"](#) Adobe, November 16, 2021.

["Thinking Beyond the Third-Party Cookie,"](#) Adobe, 2021.



Adobe, the Adobe logo, and Real-Time Customer Platform are either registered trademarks or trademarks of Adobe in the United States and/or other countries.

© 2022 Adobe. All rights reserved.