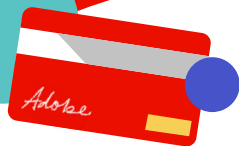




Five essential recipes for retail success.

Step-by-step instructions on how to
spice up digital engagement in 2021.





In the past year, the way we shop has changed dramatically. Digital commerce increased 76 percent year-over-year, according to the Adobe Digital Economy Index. And even when life does go back to “normal,” customers have indicated they won’t be going back to their old shopping habits. As many as 85 percent of consumers say they’ll increase or keep their current online spending the same once the pandemic is over, according to a PK Global survey commissioned by Adobe.

As online channels have become the primary or even sole means of shopping, customers are hungry for experiences that can replace the in-store experience. Retailers can fulfill these cravings by beefing up their retail digital engagement to enable consistent shopping experiences from start to finish across all touchpoints—desktop, mobile, and in-store.

Inside this eBook, you’ll find recipes for success from retailers who are already serving up a delightful blend of personalized experiences, both online and offline. You’ll see what tools they’re baking into their tech stack and get tips on how you can also create a strong customer experience foundation to sustain and engage consumers.

Let’s get cooking.



RECIPE #1

Pair every interaction with personalization.

If you want to create the type of experiences that customers crave—the ones that keep them coming back—personalization is a standard ingredient, no matter what experience you're cooking up.

However, to create the type of experiences that truly impact customers, you have to go beyond bland personalization, like one-too-many emails or product recommendations, and provide truly hyper-personalized, one-to-one experiences. And you must be able to do it across multiple channels.

"Personalization is much more than providing a name on an email or being able to inject a piece of content into a banner," says Michael Klein, global director of industry strategy at Adobe. "It's really being able to speak to the customer in their voice and being able to distinguish the differences between mobile and desktop in order to be relevant in all channels."

But delivering this type of one-to-one experience to thousands or millions of customers across multiple channels isn't easy. It requires tools that allow you not only to test, target, and optimize your content, but also to use the power of artificial intelligence (AI) and machine learning.

"We no longer live in a world that can be run on business rules managed by human beings. We really do need to tap into data, and

to be able to drive personalization at scale requires tapping into machine learning," says Klein.

If you're just getting started, the best advice is to start small—with strategies like personalized emails or basic product recommendations—and work your way up to delivering more complex personalized experiences. **Petbarn**, Australia's largest

specialty pet retailer, began with personalized email campaigns. Once they felt comfortable with simple personalization, they moved into more complex initiatives, like launching online offers personalized to customers' purchase behaviors.

"For us, personalizing offers based on previous purchase behaviors is a way to encourage people to spend a bit more than they normally do," says Linden Martin, head of CRM at Petbarn.

Using a powerful optimization tool that combines unified customer profiles, AI and machine learning, and multivariate testing, Petbarn can segment customers based on their average order value and

expose them to the right discount level. They further optimized almost everything about the digital experience through A/B testing, including product pages, the add-to-cart button, search, the mobile experience, and more.



80% of customers are **more likely to purchase** when the experience is personalized.



46% of shoppers want **personalized product recommendations** based on past purchase history.

Source: Blue Acorn iCi & Magento Commerce and PK Global

Thanks to a refined approach to discounts for first-time visitors, online revenue from new visitors is up 43 percent. Subscriptions to the company's Repeat Delivery service are also up 20 percent.

The team is currently testing the ability to personalize recommendations for each pet based on specific profile information about the animal. The initiative will replicate the expertise of in-store associates assisting customers with finding the right food, toys, and accessories—further blending the online and offline experience.

For any brand, delivering personalization requires testing and refinement. It's a process of mixing in some personalization—like starting with one-size-fits-all emails or product recommendations—and working up to delivering much more sophisticated experiences that are driven by testing, AI and machine learning, and automation. These more complex capabilities allow you to truly deliver hyper-personalized experiences to every individual customer—which is where the true magic of meaningful personalization happens for your customers and your business.



Key ingredients for perfectly served personalization

- Target customers through segmentation.
- Test your content to further optimize it.
- Optimize your content to match the preferences of each customer based on their behaviors.
- Use the power of AI and machine learning to allow for real-time hyper-personalization at scale.



RECIPE #2

Fire up customers' appetites with data and insights.

The best experiences are those that are consistently personal. Getting an email in your inbox with an offer for 20 percent off a pair of shoes you've been eyeing for weeks. A recommendation for a shirt that pairs perfectly with the pants you just bought—and is just your style. Or feeling known on your first visit to a national outdoor retailer's site when targeted content matches where you live and your interests—like being shown skis on sale because you live in Colorado and ski season is just about to begin.

But pushing out personalization at this level of maturity requires breaking down data silos. It also requires harnessing the power of all your data to build real-time unified customer data profiles.

"Having a unified profile of the customer that gives you a holistic view is the foundation and holy grail of getting to true personalization," says Klein.

But to get that holistic view requires a system of record that can bring all your disparate data together from multiple sources to create and enhance real-time customer profiles. You can then use those profiles, combined with precise targeting capabilities, to create personalized experiences.

For instance, **Ben & Jerry's** uses a data management platform to gather information about customers who visit their website,

including what flavors they prefer, to ensure they meet their objective of creating relevant and meaningful content for every customer. "We think it's important to use technology, digital channels, and content to provide value to our fans—not post things customers would find annoying to their newsfeed for the sake of being seen," says Mike Hayes, Ben & Jerry's Global Head of Digital and Technology. Ben & Jerry's can then remarket to customers using assets that reflect their favorite flavors.



Having a unified profile of the customer that gives you a holistic view is the foundation and holy grail of getting to true personalization.

Michael Klein

Global Director of Industry Strategy
Adobe



The company also uses data and technology to test and optimize customer experiences to ensure that as a brand with a powerful social mission, they deliver messages that resonate with their audience. Finally, Ben & Jerry's uses data insights to help drive their creative efforts. They call it "data-driven creativity," and say it's helped the company be more creative and effective in their communications by allowing them to put their time and energy into experiences they know will make an impact. By using data-driven creativity, Ben & Jerry's can better protect their market share and achieve their social mission and goals. "It's helpful from a creative perspective to have information from analytics so we know the

decisions we're making aren't arbitrary. We know what fonts and colors are performing best, and we can see the results in real time. It's not based on opinion. It's based on facts," says Gail Cummings, Global Digital Design Lead at Ben & Jerry's.

Another retailer that has been able to bring all its data together exceptionally well is **The Home Depot**, which unified all their customer data to have a 360-degree profile of their customers.



48% of The Home Depot's online orders are made using **buy online pick up in-store**.



20% increase in The Home Depot's **online sales growth** driven by customer insights.

Source: Adobe

"Instead of separating metrics from online and offline channels, we focus our attention on capturing everything including website activity, in-store sales, call center volume, return volume, order cancellations, and much more, thus enabling us to make the best decisions to improve the shopper experience across all touchpoints," says Ranjeet Bhosale, director of online analytics and business intelligence at The Home Depot.

The company's business intelligence team also uses analytics and segmentation technology to unify various data groups into a singular

customer profile. This allows them to target homeowners looking for the perfect kitchen faucet or a paint contractor who purchases in bulk.

Having all this data in one place, including behavioral and real-time information, means they can crunch the numbers to find instant insights and improve the customer experience. They can quickly test offers, promotions, and web designs to constantly improve online experiences. All these efforts combine to get information to customers faster, which means they're finding merchandise quicker and not getting lost during the journey. As a result, \$8.6 billion in sales are attributed to online orders. And about half of those orders are being fulfilled in-store.

Not only is having a full view of the customer essential to delivering relevant offers and recommendations that make your customers want to buy—but it's also essential for building loyalty and keeping your customers coming back. And if you're not equipped to deliver these kinds of experiences because your data remains siloed or you can't transform that data into insights, you risk losing more than just an opportunity to deliver personalization—you risk losing the customer for good.



Key ingredients for a holistic view of your customer

- Centralize all your data—offline and online—in a single location.
- Create unified profiles of your customers from that data.
- Keep those profiles updated in real time so you can offer real time personalization.
- Use analytics and segmentation to further refine your personalization efforts.

RECIPE #3

Prepare content to satisfy your customers' cravings.

Your customers are hungry for experiences that feel tailor-made and speak to what they want most. But creating content that's right for every customer, every channel, and every device requires strategic attention to provide the sophistication necessary for delivering amazing experiences.



67% of consumers want their **content automatically adjusted** to suit their current context.

Source: Adobe

The challenges retailers face with creating custom content includes everything from needing content in different size formats (mobile vs. desktop vs. kiosk) to needing content in multiple languages for a global audience. Add to this the need to keep the experience and content consistent as customers

move from one channel to the next, and the task becomes even more complex. Trying to do these things at scale manually simply isn't possible.

To manage all these aspects of preparing and delivering content, you need to simplify and automate the process. One way to do this is to use simple drag-and-drop templates that let you create the content once but reuse components of that content across any

channel—including web, mobile, apps, IoT, single-page apps, and in-venue screens. Not only does it allow you to stop re-creating the wheel, but it also allows you to create content quickly without developers' help.

For **Dixons Carphone**, one of the largest consumer electronics retailers in Europe, being able to create once and publish everywhere has been a game-changer. Previously the Carphone Warehouse website existed on a very traditional web platform. Creating web pages or adding dynamic features like scrolling images required programming and HTML knowledge, which meant any changes required significant planning and lead time, limiting the merchandising team's ability to respond effectively to changing markets.

But now, the merchandising team can create an entirely new campaign in 15 minutes or make a small update to copy in less than a minute.



The merchandising team can make changes 10 times faster. We're also achieving 500% faster time to market for new campaigns. This agility allows us to react to market changes before our competition and establish ourselves as leaders in the retail market.



Harry Sohal

Product Owner, Adobe Experience Manager
Carphone Warehouse



Besides being able to quickly create content and reuse content snippets on any channel, having a solution with powerful AI has increased the speed and scale of personalization for Dixons Carphone. “We can utilize artificial intelligence to reach out to more customers in a personal way by removing the manual task of creating audiences and matching them with top experiences,” says Sohal.

Finally, you can continue to push your ability to deliver tantalizing content even further with the help of other tools that make it easy to find and reuse content. For example, the athletic apparel brand **Under Armour**, which produces hundreds of thousands of creative assets, moved five terabytes of data into a digital asset management (DAM) system. They also reimagined the governance of digital assets, creating an automated and consistent approach to tagging and workflows, including the use of Smart Tags and Smart Crop, which are powered by AI and machine learning technology.



With Adobe Experience Manager Assets in the Cloud, they can find all the latest materials in a matter of minutes with a quick search in one spot.

Ben Snyder

IT Product Owner
Under Armour



“In the past, it could take a week for marketing to gather all the imagery needed for a particular event, such as a pop-up store with

a featured athlete,” says Ben Snyder, IT product owner at Under Armour. “Now, with Adobe Experience Manager Assets in the cloud, they can find all the latest materials in a matter of minutes with a quick search in one spot.”

The ability to quickly find content or create unlimited variations of content and deliver those variations of content across any device or channel is a lot less work for you and your teams. It’s also the only way to deliver personalization at scale.



Key ingredients for fast and fresh content

- Give your team access to code-free templates and reusable components.
- Create unlimited variations of interactive multimedia experiences from a single piece of content.
- Use AI to increase the speed and scale of personalization.
- Keep your campaigns consistent across all channels by managing your campaigns from a single platform.



RECIPE #4

Sweeten the experience with contextual and compelling offers.

To create a shopping experience that your customers won't forget, you need to make the entire experience delightful. For beauty retail giant **Sephora**, this has meant meeting customer needs in a contactless digital landscape. Not only have they pivoted in-person experiences like their popular Classes for Confidence to virtual learning, but they've also continued to meet customers' needs by providing even more options for their purchasing decisions.

"We continue to seek innovative digital offerings to aid in the 'last mile' to purchase journey, including our new reserve-online-pickup-in-store option," says Sree Sreedhararaj, Sephora's chief technology officer. She also notes that the brand has engaged in collaboration with Instacart to offer same-day delivery, introduced more flexible payment options, and become the first beauty retailer to partner with Instagram Checkout.

But even beyond offering your customers more choices for purchasing and fulfillment, you should also be thinking about how to extend your reach further with new sales models. Not only are more sales happening on more channels, but customers are also more open to buying direct to consumer. In fact, 81 percent of

consumers say they plan to shop from direct-to-consumer (D2C) companies over the next five years.

More retailers are taking advantage of this shift in sentiment to expand outward from their traditional sales model. Even B2B brands are beginning to expand into D2C commerce.



Top retailers experienced **850% daily revenue growth** and **+350% daily visits growth** from online channels.

Source: Adobe

However, while opportunity awaits, supporting all this complexity, which includes infusing multiple channels and multiple sales models with personalization, is quite hard. And it may be one reason why retailers who only have physical stores have stayed away from digital commerce.

But if the last year has taught retail anything, the lesson is that digital

stores not only allow consumers to shop anytime from anywhere, but they also expand the revenue growth opportunity. Research from a recent Adobe Digital Insights study showed that top retailers experienced up to +350% daily visits growth and up to 850% daily revenue growth this year from online channels. Even median retailers saw +80% online visits and +180% revenue since the start of the pandemic.

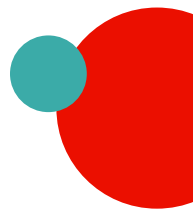
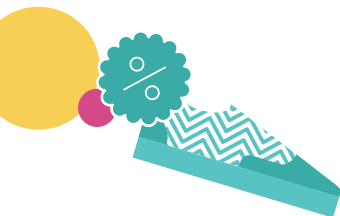
Having a unified commerce platform makes it possible to unify every aspect of your digital commerce platform, so the experience is sweet and simple for you and your customers. Even once-complex aspects of creating a delightful experience—like creating

content for PWA (progressive web apps) or offering multiple types of fulfillment—have become easy to do.

For **The Accent Group Limited**, an authorized seller in Australia for some of footwear's most well-known brands like Vans, Timberland, and The Athlete's Foot, among others, the appeal of an open-source unified commerce platform was the flexibility and control it gave them to give each brand a different, authentic feel.

The Accent Group started with Platypus, Australia's number one sneaker retailer, upgrading their old static platform to a powerful unified e-commerce platform. The goal was to improve speed and flexibility and to create a mobile-friendly customer experience. After re-platforming Platypus, they saw their sales grow 10x in 10 months.

Given this initial success, The Accent Group started to rethink the role of their retail stores. Instead of only seeing stores as individual outlets, they began to think of them as distribution centers too. This strategic shift transformed how they deliver experiences to their customers. By implementing new fulfillment options like Click & Collect, customers can now pick up their product from one of 70 stores across the country. This feature has driven up to 20 percent of total digital sales. This idea was expanded to include Click & Dispatch, which delivers online orders directly to customers, driving 30–50 percent of digital sales since its launch.



You can't afford not to take advantage of new opportunities to grow revenue and increase customer loyalty. Having a flexible, hybrid commerce platform that can support B2B and B2C sales models as well as everything from endless aisle inventory to an array of fulfillment models (same-day delivery, BOPIS, etc.) is critical. Equipped with the right technology, you'll have the tools to respond to a constantly changing e-commerce landscape and to consistently deliver delightful experiences for your customers.



Key ingredients for e-commerce delight

- Offer multiple purchasing and fulfillment options for your customer.
- Have the flexibility to use your stores' fulfillment centers.
- Use a hybrid e-commerce platform that can support B2B and B2C sales models.
- Deliver the entire e-commerce experience through a single, unified e-commerce platform.



RECIPE #5

Pair up with partners to thrive in a cookieless world.

Third party cookies—a key ingredient in personalization—will become unavailable in 2022 due to increasing data privacy laws. As a result, current approaches to identifying unrecognized visitors will no longer be possible. While first-party cookies and app IDs can still be used, brands need to think more creatively about how they can still get the data they need to serve up personalization without third-party cookies.



1/3 of customers are **not comfortable sharing information** about themselves with brands to improve recommendations.

Source: Adobe

The best path forward is using first-party data and building strategic partnerships. Some of the biggest brands in retail have already started down this path. **Kohl's** has formed an online return partnership with Amazon. Kroger's has been piloting a

partnership with Walgreens, where customers can pick up Kroger's online orders from select Walgreen stores. And Nike and Footlocker have partnered to create a pop-up shop that offers fans exclusive access to footwear launches and other Nike owned products.

But one of the most exciting partnerships to watch may be the recently announced **Ulta Beauty** and **Target** partnership. Through this partnership, Ulta Beauty will debut at more than 100 Target locations with plans to scale over time. Branded as a shop-in-shop, the Ulta Beauty experience at Target will mirror the retailers' existing stores. Additionally, guests who shop Ulta Beauty online via Target.com will be able to tap into Target's industry-leading fulfillment services, including free shipping for qualifying orders and free Drive Up and Order Pickup, as well as the ability to use Shipt, a service often offering same day delivery at participating store locations.



“

In partnership with Ulta Beauty, a company that shares our deep guest focus, we are able to expand our growing beauty business with new, exciting brands, an immersive experience, and loyalty benefits to transform how our guests shop for all their beauty needs.

Brian Cornell

Chairman and CEO
Target



Through their partnership, Target and Ulta Beauty combined will have more than 100 million active loyalty program members. This creates a unique opportunity for the retailers to create integrated experiences for their customers that may “redefine beauty experiences” and create “new opportunities for guests and brand

partners and to strategically and collaboratively lead the retail industry forward,” according to Target.

By establishing strategic partnerships and data sharing relationships with trusted partners, retailers have an opportunity to gather more data for personalization use cases. And they can go even further by also partnering with trustworthy technology providers that can build best-in-class integrations with their identity partners. Through these types of second-party partnerships, retailers can share first-party audiences with partner brands in a secure, anonymous environment. This gives retailers the flexibility to target audiences using multiple cookieless identifiers to maximize reach and keep the personalization engine running.



Key ingredients for cookieless personalization

- First-party data remains a critical component for powering experiences.
- Second-party partnerships will allow data sharing in a secure, anonymous environment.
- Multiple data sources can be unified to create a 360-degree customer profile.
- Governance and consent tools can manage how identities are collected and for what purposes they can be used.



Personalization done to perfection.

The key ingredients of creating the kinds of blended online and offline experiences highlighted in this guide include analytics, targeting and segmentation, web content management, advertising, e-commerce, and strategic partnerships. Where you are on your journey will determine what you use and how you combine those tools with other technologies.

“If someone wants to start from scratch, we can help them do that with a full implementation,” says Klein. “But we also have a flexible enough ecosystem and solutions that customers can start where they’re at, and they’ll get great value from each individual solution.”

No matter how you bake these ingredients into your tech stack and customer experience, just know that when they’re blended together and paired with AI and machine learning, you can create experiences customers love. And equally satisfying—drive revenues that exceed your expectations.

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