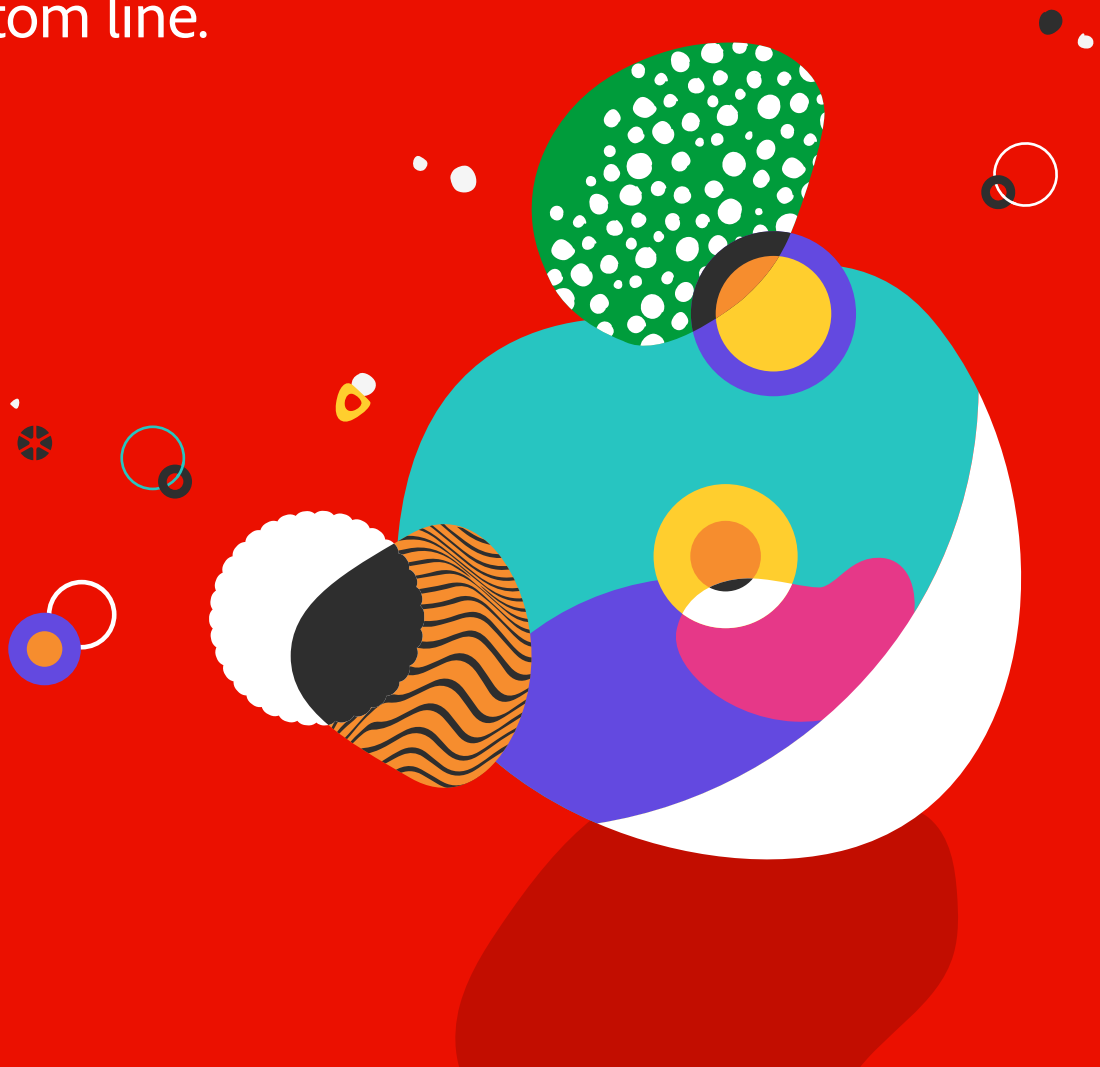
Adobe

Retail Technologies That Pair Well Together

Adobe teams up with partners to show how to serve a unified retail experience that's great for your customers and your bottom line.



Ecommerce has been promoted from side dish to main course. According to the US April 2021 **Adobe Digital Economy Index**, year-over-year (YoY) retail ecommerce growth for Q1 2021 was 39 percent. Also, global ecommerce is on pace to hit $4.2 trillion this year.

But many sellers' digital strategies aren't fully baked. While retailers have made big strides over the past year—such as expanding merchandise assortments online and adding curbside pickup—they still fail to deliver a customer experience (CX) that's both seamless and responsive. According to research by **Customer Care Measurement & Consulting LLC**, consumers are using digital channels like email, live chat, and social media more often to connect with brands. But while 55 percent of consumers expect a company response to a complaint posted on social media, almost half of such complaints are ignored. Clearly there is a substantial gap between what customers expect and what retailers deliver.

To attract and retain new customers, retailers must create a **unified experience** that's also hyper-personalized for each individual. What's remarkable about this kind of experience is the absence of common causes of friction such as impersonal or irrelevant marketing, service representatives who are unaware of customers' online activities, and more. It's also a major departure from pre-COVID mass-market retail.

"Before the pandemic, retailers wanted to get as much foot traffic as possible into their stores and as much web traffic to their online stores. Now, retail leaders are laser-focused on how they can connect with the right customers at the right time and in the right way," says Michael Klein, global director of industry strategy at Adobe.

Why focus on the customer experience?

According to research by **Adobe and Econsultancy**, CX leaders in all industries succeeded despite the seismic shifts of 2020. They outpaced their sectors—and were three times more likely to have "significantly outpaced" their sectors than mainstream organizations.

Research by **Customer Care Measurement & Consulting LLC** also suggests that affluent consumers will pay more for the same product to businesses that delight.

The bottom line is that investments you make in your retail CX are likely to deliver a substantial return.



Affluent consumers will pay more for the same product to businesses that delight.

The unified retail experience is here.

In 2020, **Adobe and Econsultancy** found that 63 percent of B2C companies noted unusual growth in digital customers, and 49 percent observed unusual behavior in existing customers. This means consumers were shopping through new channels and taking new paths to purchase. "The world has undergone a fundamental shift, and customers' behaviors have changed with it," says Klein.

But no matter how consumers interact with your brand, they want the experience to be personalized. A growing number of retailers recognize that consumers will recommend a brand to friends and family if it provides a more personalized experience. A unified retail experience lets every shopper take their own personalized journey—and makes it as swift and delightful a journey as possible.

While each consumer's specific needs and journey may be unique, here are some things most unified shopping experiences have in common:

- **Speed.** Search engines penalize slow-loading web pages—and so do today's consumers. A unified ecommerce experience must be fast and easy for consumers to use, from quick-loading web pages to straightforward payment and checkout. And it must adapt instantly to the bandwidth of each consumer's internet connection.
- **Predictive content and commerce.** Consumers want content and commerce tailored to their specific needs at every stage of the buyer's journey. A unified retail experience must predict customer interests based on a wide variety of data—such as previous transactions, customer behavior, location, time of day, and service—and deliver the right content and resources at the right time. Most such experiences are powered by artificial intelligence (AI), and they usually pay off. For example, personalized product recommendations powered by AI can encourage shoppers to put more items in their carts.
- **Cross-channel consistency.** Consumers should feel your brand knows them whether they visit your mobile site, open a marketing email, or visit your local store. For example, their online account page might reflect their latest in-store purchases or marketing might send a reminder to register for the warranty that comes with a product they bought online. This kind of consistency encourages customers to shop across channels—and buy more often.
- **Privacy consciousness.** Concerns about consumer privacy and data security have grown in tandem with ecommerce. Most national and regional governments have enacted data privacy regulations and Google and Apple are phasing out third-party cookies. A unified shopping experience should be highly secure by nature. And it should communicate clearly—and in plain language—how customer data will be used and protected.

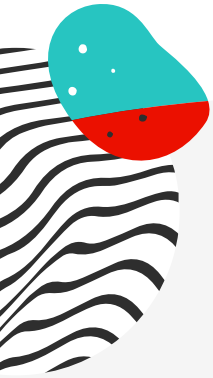


A unified retail experience lets every shopper take their own personalized journey.

Build the right digital foundation.

Creating a unified retail experience requires collecting customer data from all your touchpoints to populate a real-time customer record that can inform all of your interactions with customers—whether they happen in person, via call center reps, through social media ads, or with chatbots on your commerce website.

However, being able to access and use all of this data is a major challenge for retailers that have not built a digital foundation. If you still use batch processes to move data between your ecommerce, point-of-sale (POS), and enterprise resource planning (ERP) systems, this could be a major obstacle to delivering a unified experience and achieving success.



> Retailers that prioritized digital transformation and moved to unified customer records before the pandemic have really done well. Everyone else needs to take another look at their CX tech stack and possibly spend some time playing catch-up.
>
> **Michael Klein**
>
> Global Director of Industry Strategy, Adobe



Learn from Adobe partners.

Adobe understands the challenges of building a unified retail experience. Our retail customers have been using Adobe Experience Cloud to eliminate data siloes, update customer records in real time, and deliver AI-powered personalized experiences. But they don't rely on Experience Cloud and Adobe products alone. They also take advantage of a menu of solutions offered by a vast network and ecosystem of independent software vendors (ISVs) and solution partners that further enhance Experience Cloud's capabilities and functionality.

In this guide, you'll get advice from a few of Adobe's top partners on how to design, deploy, and continuously improve a unified retail experience that serves up a large helping of success.

Contents

Adjust: a Great Mobile Experience to Go 6

Akeneo: Serve Up a Great Product Experience 9

Genesys: Customer Data Is the Secret Sauce 13

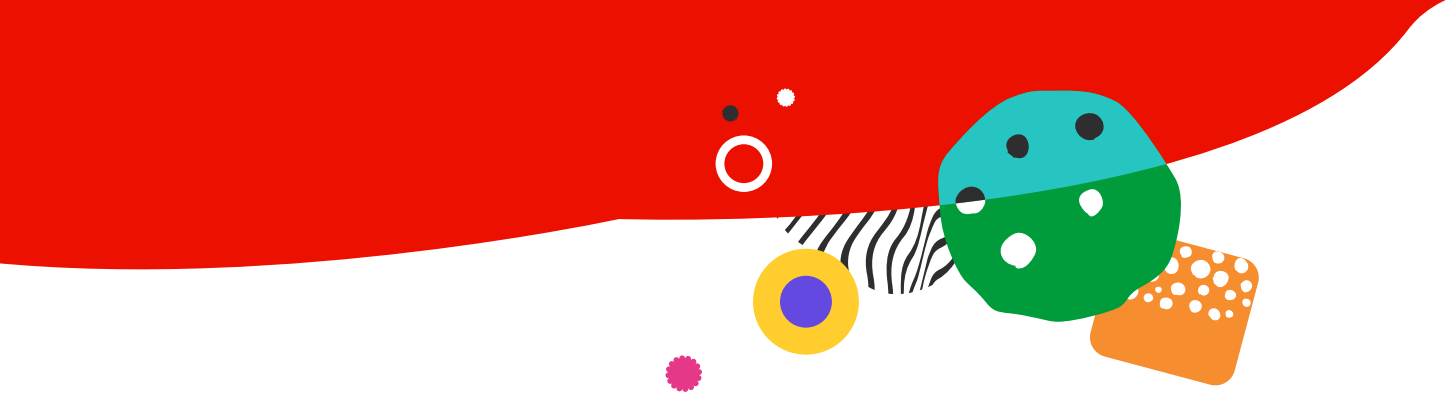
Khoros: the DX Trio of Communities, Content, and Commerce 17

Klarna: the Flexible Payments Consumers Crave 21

Medallia: Combine Customer Signals to Cook Up Insights 25

Merkle: Kick the Cookie Habit 29





Adjust: a Great Mobile Experience to Go

Deep linking can deliver highly satisfying micro-experiences on mobile devices, adding up to big results.

Micro-experiences are when we turn to a device—often a smartphone—to take action on whatever we need or want in the moment. In many cases, that need or want is to research or buy a product. The 2021 **Adobe Digital Economy Index** reported that 60 percent of online retail website visits in August 2020 came from smartphones, which now account for 40 percent of all online sales.

Rather than open a web browser to search, shoppers who are ready to act often use a mobile app they know can provide what they need. And a recent **Mobile App Trends report** suggests shoppers turn to mobile apps again and again to find information and make repeat purchases. Minimizing friction when consumers interact with your mobile app is therefore critical to turning impulses into sales.

What is deep linking? It is one way to quickly connect new shoppers with your mobile app. Deep linking makes it easier for shoppers to install the app, find what they need—and, hopefully, come back again and again. It's also a great way to learn more about your customers' behavior. This chapter will look at how deep linking can improve your mobile customer experience as well as the technologies you need to get started.

Learn more about deep linking.

Deep links are a type of link that sends shoppers directly to a page in an app instead of a website. Using deep links, you can send users straight to specific in-app locations—often some kind of promotion—saving your customers the time and energy of locating a particular page themselves and significantly improving their experience. On mobile devices, deep links allow consumers to move effortlessly between destinations. For example, they can go from social media to app, from website to app, from ad to app, etc.

Deep linking benefits customers.

Deep linking solutions can ensure potential or returning customers are directed exactly where you want them after install/clicking on an ad. Whether it's to a specific pair of shoes, a coupon redemption page, or the ever-so-important checkout page, a deep link provides a better experience by helping users discover offers—and it reduces time to conversion.

Deep linking benefits marketers.

Deep linking can help keep customers and prospects in your ecosystem by pointing them back to your mobile app when they click on a web, email, or SMS link. It also can also help you better understand which aspects of your mobile experience are working and which are not. For example, event tracking and uninstall/reinstall measuring can help you learn when and why customers engage—or don't engage—with your app.

In addition, deep linking data can support multi-touch marketing attribution, in which you estimate the contribution of different touchpoints to sales. Applying cohort and trend analysis to this data can also help you define targeted audience groups based on their behavior—such as lapsed app users, customers who abandoned carts, etc.—and understand how they respond to different messages, offers, and campaigns.

Deep linking and experience analytics pair well together.

Adjust offers an effective solution that allows marketers to track deep links for existing users, defer deep links for new app users, conditionally redirect users to app stores, and more. With Adjust and Adobe's software development kit (SDK)-to-SDK integration, you can include deep linking data around cost, in-app purchases, ad revenue, and lifetime value (LTV) in your Adobe Analytics reports.

Using Adjust and Adobe solutions together, you can see mobile app events, install/uninstall measurements, and advanced attribution data from your Adobe Analytics dashboard.

Take the next step.

By creating deep links and using them to gather valuable customer data, you can transform your mobile experience—and dramatically increase the ROI of your mobile app. You can also better understand which mobile touchpoints contribute most to revenue, and identify strategies to accelerate your customer journey.

If your organization doesn't have a plan for deep linking, we suggest learning more from our **deep linking eBook**.

ADJUST

About Adjust

Adjust is an industry leader in mobile measurement and fraud prevention. By making marketing simpler, smarter, and more secure, we empower data-driven marketers to succeed.

Find out how Adjust can supercharge your mobile app.



Akeneo: Serve Up a Great Product Experience

Product information management (PIM) lets you deliver the contextually relevant product-centered experience shoppers are hungry for.

One of most retailers' main objectives is to sell products—and consumers are hungry for rich, accurate product information. Yet prospective buyers are often disappointed in their product information experience online. In a recent **Akeneo survey** of 1,000 shoppers in seven different countries, only 25 percent of respondents characterized the product information retailers provided as "very good."

Even worse, inaccurate or contextually irrelevant product information can have a chilling effect on sales. In fact, 74 percent of our survey respondents said they would stop buying from a brand entirely if product information was "bad." Customers who are unhappy with poor product information may even post complaints on social media, complete with screen grabs.

This is why a growing number of retailers have prioritized the product experience. When product information is fully enriched, accurate, and adapted to each customer touchpoint, shoppers are more likely to buy—and spread the word about your brand.

This chapter covers what a great product experience looks like and what you need to serve one to your customers across all your channels.

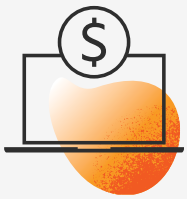
What makes a product experience great?

A good product experience starts with the basics—accurate information about how the product looks, what it does, what it costs, and when and where you can get it. A great product experience builds on this foundation by including complete technical specifications, product usage information, and emotional information in the form of rich images and video. Increasingly, shoppers are seeking to obtain information on brand values such as product sourcing and sustainability—and your brand's commitment to those values.

When you provide highly relevant, rich, and accurate product information, your customers appreciate it. In fact, our **survey** revealed that 50 percent of shoppers are willing to pay more for a great product experience. This suggests that the product experience is a foundational aspect of the overall customer experience.

Start with unified product data.

Product data can reside in many different places. SKUs and product availability may live in your inventory system. Images and product descriptions may be owned by your creative team. Product managers or engineers may have technical and regulatory information. And each regional office may have its own unique marketing content.



50% of shoppers are willing to pay more for a great product experience.

The first step in creating a great product experience is to collect all your raw product data and centralize it in an easy-to-use PIM system. You can take advantage of connectors to backend systems to make this easy. Once populated, your marketing teams can rapidly enrich the product information, track completeness, and prepare your products for sale. The PIM's workflow tools help manage processes and promote collaboration across teams.

For example, you might integrate your PIM with your ERP or product lifecycle management (PLM) system to gather raw data that you can standardize and enrich. Creative teams working on product images and descriptions can add their latest material to your PIM and route it to marketing for approval. And your global marketing team can use your PIM to manage translations and localization with agencies and regional teams.

Connect your PIM to all your channels.

Your PIM can feed enriched and complete product information customized to all your digital channels, including your commerce website, third-party marketplaces like Amazon, mobile apps, and social media. Because PIMs can store multiple versions of product information, you can be sure your product listings will look great everywhere. Your PIM can also provide product information to your offline channels, such as your retail stores and your print catalog.

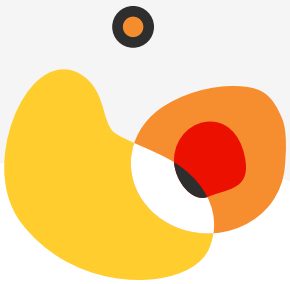
When your PIM is connected to all your channels, your customers receive a consistent product experience that's contextually appropriate for where and how they interact with you. The net result for you is higher conversion rates, more sales, and fewer returns.

Ecommerce pairs well with PIM.

Adobe Experience Cloud supports all aspects of the digital experience—including ecommerce through Adobe Commerce. Akeneo's PIM system works seamlessly with Adobe Commerce, so retail shoppers get a superior product experience.

Here's what one company that uses Akeneo's PIM with Adobe Commerce has to say:

> "We replaced a painful, 30-plus-step product information process with an efficient solution in Akeneo PIM, helping us get products to market more quickly.
>
> **Marie-Lou Blaise**
> Senior Merchandiser, eCommerce, Bentley



Take the next step.

Improving the product experience for your online shoppers is an essential part of elevating your overall customer experience and delivering a consistent experience across both digital and offline channels. A PIM system and a digital commerce platform are must-have technologies for making this happen.



akeneo

About Akeneo

Akeneo is a global leader in product experience management (PXM), helping businesses with products to sell to unlock growth opportunities by creating a single source of truth for product information and delivering a consistent, compelling omnichannel product experience.

Thousands of people around the world leverage the Akeneo PXM Studio, including its PIM, platform, add-ons, connectors, and marketplace, to dramatically improve product data quality and accuracy, simplify catalog management, and accelerate the sharing of product information across channels and locales.

The API-based Akeneo Connector for Adobe Commerce allows Adobe Commerce merchants to seamlessly feed high-quality and emotionally resonant product information to their ecommerce platforms, improve their customers' shopping experience, increase conversions, and reduce returns.

Contact Akeneo for a demo: **https://www.akeneo.com/demo/**

Genesys: Customer Data Is the Secret Sauce

Applying artificial intelligence (AI) to unified customer data can help you create a seamless journey that supports rapid growth.

Online shopping today is easier and more convenient than ever. In fact, **Adobe** predicts that global ecommerce sales will reach $4.2 trillion by the end of 2021. But many ecommerce stores remain "digital islands," disconnected from retailers' other online and offline channels. This means customers can have a great experience on your website, but a fragmented and confusing purchase experience overall.

For example, a customer might buy a product online and then contact a call center when delivery is delayed. But they may reach a call center rep who doesn't have visibility into recent online transactions or their delivery statuses. Or the rep may have to log on to multiple systems to track down the information while the customer waits—silently fuming—on hold.

A customer who interacts with a chatbot and then later contacts a call center with follow-up questions is another good example. Often, the call center rep has no visibility into the live chat session, so the customer must repeat their story. And chatbots may not have access to the breadth and depth of customer data they need to provide meaningful, targeted responses.

Fortunately, all of these problems have a single solution: unifying customer data and applying AI to understand, connect, and improve each customer's journey. This chapter describes what a fully connected customer experience looks like—and the technologies you need to build one.

Empower your call center reps.

The call center is a natural extension of the omnichannel customer experience, as it is often where customers go when they've exhausted other resources. They may have already sent an email, consulted your knowledge base, interacted with a chatbot, and had an SMS exchange. And the vast majority of consumers expect call center reps to continue conversations that have played out over other channels.

A more intelligent, personalized approach to the customer journey can turn a stressful situation into a positive outcome, or maximize customer lifetime value at the right moment. AI-powered predictive routing can direct a consumer to the best equipped agent via the right channels in the right sequence to address their immediate needs—for example, the customer might go from online shopping to chatting with a bot, to chatting with a live agent. AI-powered predictive engagement can facilitate the transition when the time is right by detecting customer intent based on previous and current interactions. Because the interactions are connected, the live agent can understand the context of the engagement, greet the customer by name, and immediately help them without any friction in the process.

Unifying consumer data from all channels and combining it with AI-powered personalization empowers call center agents with contextual information that facilitates actionable and relevant interactions for consumers in the moment and throughout the customer journey.



Moreover, with workforce engagement technology—which supports quality assurance and compliance, resource management, and employee performance management—call center managers have visibility into agent interactions for training and staffing, and agents have the right information at their fingertips to more quickly and effectively assist customers.

Predict what customers need today—and tomorrow.

Every time consumers interact with your brand through one of your channels—website, mobile, call center, marketplace—they leave valuable data behind that can inform targeted engagement strategies.

Unifying this data and combining it with AI-powered personalization can help you provide highly targeted experiences in the moment and over the course of their journey. For example, you can predict what a customer might need based on recent purchases and how they are currently engaging. A customer who made a recent purchase and is exhibiting behavior seeking product information would appreciate that type of guidance versus a marketing offer. With predictive engagement, you can orchestrate the journey to meet the customer needs in the moment.

Invest in technology that builds connections.

To design a fully connected customer journey, you need a tech stack that includes a unified customer data solution, real-time AI-powered analytics, and workforce engagement solutions. Key requirements as part of this tech stack include intelligent routing, so you can engage at the right time on the right channel and with the right action, and an integrated employee desktop, so customer context is never lost.

When you interact with customers in a consistent and orchestrated way via multiple channels, they are more likely to convert and develop an affinity for your brand. However, if automated channels like chatbots are not used judiciously, there is risk of harming the customer relationship. For example, a recent **Forrester* report**, "The State of Chat in Retail, 2021," stated that chat's main role in retail is to influence purchases—not to handle transactions. "Conversational interfaces," the report stated, "will influence purchases by helping consumers find inventory, obtain store hours, select products, and pick up at stores post purchase."

Orchestrating the customer journey by anticipating and understanding need and intent is critical to a successful customer engagement strategy.

AI-powered customer engagement pairs well with ecommerce.

Adobe Experience Cloud supports all aspects of the digital experience—including ecommerce through Adobe Commerce. Genesys delivers AI-powered customer experience, digital experience, and workforce engagement solutions on the cloud to allow businesses to provide a consistent and connected experiences across sales, marketing, and service.

Using data to deliver a more empathetic customer experience.

"For organizations that want to truly develop deep empathy with their customers that results in a unique and differentiated customer experience, the ability to tap into direct and contextual customer data from across the organization is foundational," said **Alan Webber**, vice president of customer experience management strategies at IDC. "Partnerships like Genesys and Adobe have the opportunity to expose data that has been locked away in function-specific applications to build a more complete understanding of each individual that results in a more personalized experience for which customers will return."

In fact, a growing number of retailers recognize the value of using AI with multi-channel customer data to improve customer service. In a Genesys-commissioned **MIT report**, "The Global AI Agenda," 48 percent of surveyed retail companies globally identified customer care as one of their organization's top three AI use cases. Early adopters of AI have also seen better management decision-making (44 percent) and improved customer experience (41 percent).

This is certainly true for Genesys customers. Organizations that use Genesys customer and contact center solutions on the cloud gain a better understanding of customer intent so they can effectively route calls to the best agent, improving call center service levels by 85–90 percent. By predicting staffing requirements to meet surges in demand, Genesys customers can improve customer connection rates by 30 percent and reduce call wait times and dropped calls. Genesys customers who adopt AI-powered predictive engagement solutions are better able to understand customer needs and have measurably improved online conversion rates in very short times.

*The Forrester report is available to Forrester subscribers or for purchase.

Take the next step.

With unified data and AI, you can orchestrate experiences for customers and employees from start to finish. You can handle events from any source, predict outcomes, and define the next best actions for successful interactions using multiple channels. This technology uses business outcomes, employee data, and the voice of the customer to gain insight and improve future experiences.

Enrich your customer experience and improve the effectiveness of your contact center by engaging Genesys and Adobe. Start by answering three questions:

1. How is skills-based routing applied in my customer experience?
2. How are we detecting customer intent and responding with the right level of information and engagement?
3. What analytics are we using to forecast level and type of demand to staff appropriately?



GENESYS™

About Genesys

Every year, Genesys® orchestrates more than 70 billion remarkable customer experiences for organizations in more than 100 countries. Through the power of our cloud, digital, and AI technologies, organizations can realize Experience as a Service℠, our vision for empathetic customer experiences at scale. With Genesys, organizations have the power to deliver proactive, predictive, and hyper-personalized experiences to deepen their customer connection across every marketing, sales, and service moment on any channel, while also improving employee productivity and engagement. By transforming back-office technology to a modern revenue velocity engine, Genesys enables true intimacy at scale to foster customer trust and loyalty.

Khoros: the DX Trio of Communities, Content, and Commerce

Brand-owned communities and community-driven content can build trust in your brand and your digital experience (DX).

People are shopping online more than ever—and overall, the experience has greatly improved over the past year. But it still has one major shortcoming: it requires consumers to trust everything they see on your website implicitly. And many people also struggle with the fact that they can't interact with products or get knowledgeable help from a sales rep as they could in a store.

Earning that level of trust from consumers who don't know your brand and could have found your product via a wide range of channels is a major challenge. It's also essential for growth. In a **Khoros survey** of more than 1,000 US consumers, 58 percent identified "ability to trust the brand" as a major influence on their loyalty to any given brand.

Creating their own online communities is one way brands bridge this trust gap. Online communities allow shoppers to connect with their peers, ask questions, get answers, share experiences, and create new ideas. When captured and promoted by a brand, these interactions also create a wide range of organic content—product reviews, ratings, tutorials, testimonials, Q&As, and more.

This chapter explains how companies are using communities and user-generated content to connect with customers and deliver the human, trustworthy online shopping experience buyers crave.

Increase customer loyalty.

A growing number of brands are starting communities to deliver peer-to-peer and shopper-to-expert interactions in an online setting. These communities are designed to make it easy for consumers to build relationships, learn from each other, solve problems, and share expertise anytime, anywhere. And at the center of this experience is a brand and its products.

These brand-owned communities have a high impact on customer loyalty. When customers can ask questions and interact with brands in a community, 52 percent feel a deeper sense of loyalty and connection to the brand, the **Khoros** study found. And when brands connect their customers around shared interests—as in an online community—49 percent of those customers reward the brand with their loyalty.

Ask for insights.

Another benefit of brand-owned communities is the opportunity to ask customers for their feedback about products and services that are under development. These insights can accelerate product development and help marketing teams make better decisions.

And customers also appreciate being asked for their perspective. When brands elicit this type of input from their customers, the **Khoros** study concluded, an astonishing 68 percent of those customers feel more connected to the brand.

When customers can interact with brands in a community, **52%** feel a deeper sense of loyalty and connection to the brand.



Create authentic, brand-focused content.

Brand-owned communities also produce one of the most powerful assets available to marketers today: user-generated content. Consumers tend to trust user-generated content more than content produced by influencers and marketers—and they're more likely to share it with their friends and family.

Brands can elevate the content created in their owned communities, use it to make their ecommerce websites more credible and engaging, and syndicate it across multiple digital channels, including social media. A **digital engagement platform** can help you manage your user-generated content and better understand what types of content your audience is hungry for.

Brand-owned communities pair well with ecommerce.

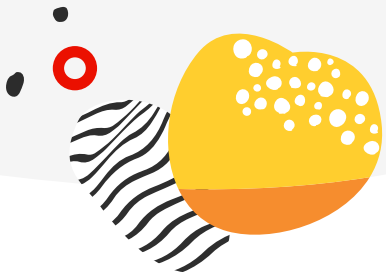
Adobe Experience Cloud supports all aspects of the digital experience—including ecommerce through Adobe Commerce. Khoros' digital engagement platform works seamlessly with Adobe Commerce, so you can easily connect your communities and community-driven content with online stores.

Bespoke cosmetic company wins with a purpose-driven community.

A leading producer of custom-made cosmetics, known for their products formulated for individual skin and feature types, relies on a community to help engage their customers. When they first launched their community, their immediate goal was to increase organic search traffic, acquire new customers around the world, and improve loyalty among existing customers.

The brand uses community content to help drive reviews and purchases with their online retail sites. Another goal is to co-create 100 percent of their products with community members by 2023, so they also rely heavily on their community for inspiration. This in turn incentivizes members to participate, ask questions, provide answers, and share knowledge. It's a great example of a thriving, purpose-driven brand community.

Results from the community show substantial progress on the short-term goals and an excellent start on the long-term goal. The community currently has over 60,000 members—and when users go to the community, **they are twice as likely to make a second purchase**.



Bridge the trust gap.

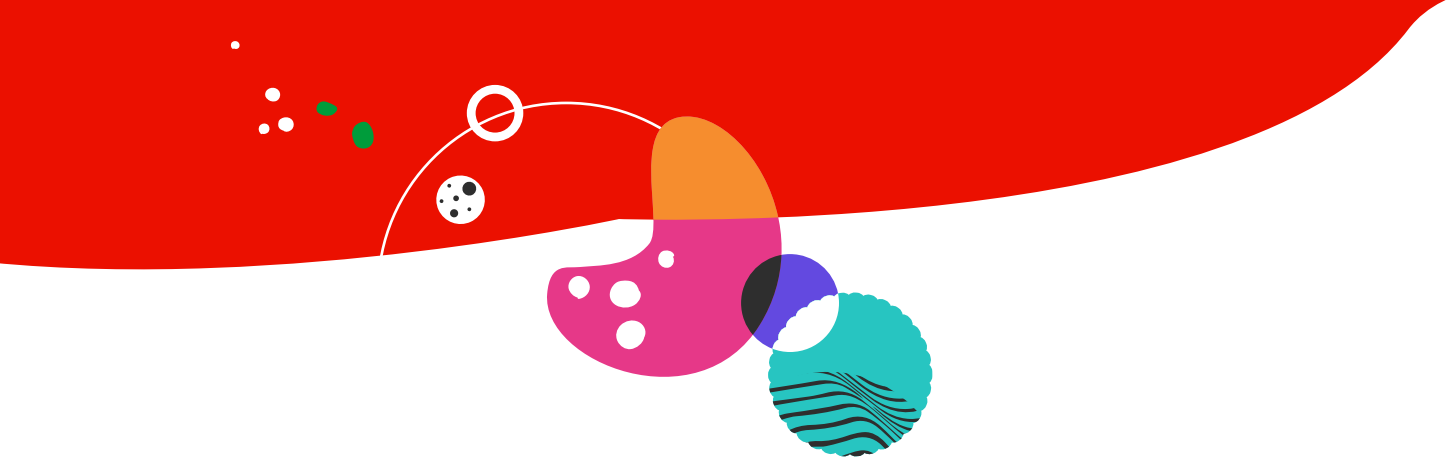
Brand-owned communities are a powerful way to connect with shoppers and generate authentic, **trustworthy content**. They are one of the best ways to earn customers' trust. A digital engagement platform can ensure all of your communities are vibrant—across public social networks, owned spaces, and ecommerce.

Khoros

About Khoros

Over 2,000 global brands, including one-third of the Fortune 100 companies, leverage the power of Khoros' award-winning customer engagement platform to create customers for life. Our innovative enterprise solutions ensure success across digital customer service, messaging, chat, online brand communities, and social media management. Combined with our industry-leading services, Khoros enables brands to connect with customers throughout their entire digital journey.

Khoros powers more than 500 million daily digital interactions and leverages AI to turn these interactions into insights and action. Recognized nationally and locally as one of the Best Places to Work, Khoros has 10 offices globally, and Vista Equity Partners is its lead investor. For more information, visit **khoros.com**.



Klarna: the Flexible Payments Consumers Crave

Buy now, pay later solutions are making online shopping more accessible—and attractive—to a growing number of consumers.

During the pandemic, ecommerce quickly became the default way a large number of consumers were buying goods—including some who had never tried online shopping before. At the same time, many businesses and individuals faced financial uncertainty. Together, these two trends led a growing number of retailers to offer buy now, pay later (BNPL) payment options online. Retailers still received payments in full and upfront, and shoppers were able to get the items they needed and wanted with lower upfront costs—and the ability to pay for them over time and without interest.

And it turns out consumers overwhelmingly prefer BNPL to paying in full immediately. In fact, **PYMTS** reported that 48 percent of consumers responding to its "Buy Now, Pay Later Tracker" said they would not shop with a retailer who didn't offer some form of BNPL or other flexible financing option. Research from **Adobe** reveals that usage of BNPL grew by a whopping 215 percent year over year in the first two months of 2021 alone.

It is also clear that consumers are not going back to the way it was before. They want BNPL and other flexible payment options to continue after the pandemic. Retailers who do not offer a checkout experience with BNPL need to take action fast.

Consumers crave control.

One reason consumers have flocked to BNPL-type experiences is to gain greater control over their purchasing power—and that's good news for retailers too. When consumers are able to split payments into multiple interest-free payments over time, they tend to buy more. In fact, **Adobe** research shows online orders paid for with BNPL are on average 18 percent larger than those placed with other methods.

Consumers also want to take advantage of BNPL in stores. Traditionally, layaway programs saw consumers pay in installments before taking home their purchases. But today's shoppers can use BNPL instead and receive their products immediately while still spreading the purchase out over multiple payments. Today's consumers are likely to start checking to see if a seller offers BNPL through Klarna and other providers the way shoppers in the 1960s used to look for Visa and MasterCard decals in store windows. Those who do not offer BNPL are likely to see customers defecting to other retailers who do. For a shopper, why choose to pay everything upfront if you don't have to? Having flexibility in how they choose to pay has major appeal to shoppers and is already a differentiator for retailers.

BNPL providers are also building their own marketing ecosystems—including social media, marketplaces, and shopping apps—that help drive leads to retailers' ecommerce sites.

Online orders paid for with BNPL are on average **18% larger** than those placed with other methods.



Mix mobile and BNPL.

For best results, retailers should be offering BNPL on both desktop and mobile sites—but providing a great mobile experience is particularly critical as consumers around the world are shopping more on mobile devices. Already, **Adobe** research shows that 40 percent of US ecommerce transactions happen on smartphones, and that figure is only going to increase. In other countries the numbers are even higher, with Japan (61 percent), the UK (49 percent), Australia (46 percent), and France (41 percent) leading the way.

Ecommerce pairs well with flexible payments.

Adobe Experience Cloud supports all aspects of the digital experience—including ecommerce through Adobe Commerce. Klarna's pre-integrated BNPL extension works seamlessly with Adobe Commerce so shoppers get a frictionless checkout experience.

H&M's mobile app grows loyalty and conversions.

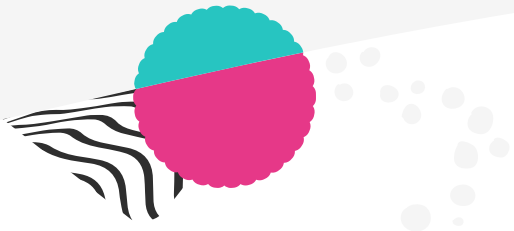
H&M wanted to provide its loyal customers with a fast, seamless, and responsive native app so they could shop more easily online, in store, and everywhere in between using their smartphones—an app that let them access a full spectrum of payment options, including BNPL, using their loyalty program IDs.

Mikael Strand, pay later services architect at H&M, explains, "Our ambition was to provide a consistent shopping experience across all channels. Instantly recognizing loyalty program members, whether browsing on our website or mobile app. Our existing app wasn't able to deliver the functionality or responsiveness to achieve this. Customization and service-changes were slow to action. There were also extra security measures around the app checkout experience and customer ID to factor in."

H&M already had Klarna as a payments partner and knew it was equally committed to exceeding customers' expectations. Using Klarna's in-app mobile checkout ensured that H&M's app delivered shoppers a truly smooth mobile UX.

"With Klarna, we were also able to develop a new feature that balanced our need to verify a customer's identity in store without adding unnecessary friction in the checkout," says Mikael. "Replacing barcodes with QR codes helped us introduce more security without adding extra steps for our customers during checkout."

Across the world, H&M is expanding online through stores, digital marketplaces, and external platforms. Klarna's in-app solution is now live with H&M in 10 countries—US, UK, Switzerland, Sweden, Netherlands, Austria, Denmark, Finland, Norway, and Germany. In some countries, almost half of all H&M's mobile sales come from iOS users. And in many, 40–50 percent of these shoppers are now choosing to pay with Klarna in app.



Take the next step.

Including BNPL in your online and in-person checkout experience can have a transformative effect on your retail business. Typically, businesses using our BNPL offerings see an average 30 percent increase in checkout conversion. BNPL providers like Klarna also work as amplifiers for brands via owned social media channels, newsletters, events, and other co-marketing efforts, resulting in millions of added impressions and engagements for businesses of all sizes.

If you don't already offer BNPL, it's time to take a closer look at the data—and then make a plan for adding BNPL to all your channels.

Klarna.

About Klarna

We make shopping smooth. With Klarna, consumers can buy now and pay later, so they can get what they love today. Klarna's offerings to consumers and retailers include payments, social shopping, and personal finances. Over 250,000 retail partners, including Sephora, Macy's, H&M, Elemis, Bearpaw, and Cox & Cox have enabled Klarna's innovative shopping experience online and in store. Klarna is one of the most highly valued private fintechs globally with a valuation of $45.6 billion. Klarna was founded in 2005, has over 4,000 employees, and is active in 17 countries.

Learn more



Medallia: Combine Customer Signals to Cook Up Insights

Your customers are sending you signals across channels. Listen to them and drive growth.

Ecommerce continues to grow at breakneck speed. According to the 2021 **Adobe Digital Economy Index**, US consumers spent $78 billion in March, which represents YoY growth of 49 percent—the highest recorded since July last year. Retailers are under increasing pressure to connect their digital channels and build an engaging and cohesive digital experience. But website and app feature sets are just part of what they have to get right.

Customer expectations have evolved over the past year. Shoppers are spending more time with companies that really make an effort to understand their needs, offering both empathy and real solutions. According to a survey by **Adobe and Forrester Consulting**, consumers today value an experience that's convenient (57 percent), informative (41 percent), and authentic (35 percent). Conversely, they are less tolerant of irrelevant marketing messages or recommendations that aren't tuned to their individual circumstances.

Clearly, the bar for customer experience has been raised—and sellers must meet the challenge. While many retailers know about abstract customer segments, they often lack granular insights into their very own shoppers. To succeed, brands must capture the signals shoppers are sending with every interaction and combine them to understand what each individual customer really wants.

This chapter looks at how brands can obtain more relevant data from their customers and use it to deliver a personalized, loyalty-inspiring experience through all of their channels.

Invite customers to talk to you.

While digital marketers spend a lot of time looking at and attempting to decode customer behavior, they sometimes forget the simplest way to understand their customers is simply to ask them. Posting questions on social media, fielding online surveys, and asking customers to evaluate new products are all direct ways of gathering valuable intelligence.

And, of course, AI can help you quickly make sense of this feedback, even when it is given in the form of text, and use it to identify how you can improve your products, services, and overall customer experience.

Gain insight across channels.

Buy online, pick up curbside (BOPUC) proved to be a critical micro-moment in the customer journey as many retailers quickly pivoted to launch this new fulfillment option. Delivering BOPUC requires orchestrating interactions in multiple channels. Leading retailers capitalized on this opportunity to capture customer signals from online and offline channels and gain a better understanding of their customers' interests and needs.

Usually, these retailers already had a framework in place for capturing data at every stage of the customer journey. They were able to add BOPUC data to the information they'd gained from marketing, customer service, and voice of the customer (VoC) programs and use it to create a more complete profile of each customer. They also took advantage of artificial intelligence (AI) to predict what consumers will need at any given time—and design experiences to do just that.

The simplest way digital marketers can understand customers is to ask. Social media questions, online surveys, and product evaluations are all ways to gather intelligence.



Make it easier to take action.

Throughout the entire journey, customers are providing signals that indicate sentiment, needs, and other useful insights. Once you decipher those signals, it's essential to take action. Often, that action will be digital and automated—but sometimes it will require human creativity and intervention. Combining your customer-facing engagement solutions with an employee engagement platform can help you make positive, customer-friendly changes across your organization and in every channel.

AI-powered customer journey mapping pairs well with digital analytics.

Adobe Experience Cloud is designed to help organizations understand—and improve—the customer experience. Together, Medallia Digital and Adobe Analytics make it possible to see the what and the why of the customer journey.

DICK'S Sporting Goods makes its web store more engaging—and profitable.

By combining Medallia Digital and Adobe Analytics, DICK'S Sporting Goods was able to decrease bounce rates by 50 percent and exit rates by 40 percent. "We now better understand customer priorities by running surveys with Medallia, then pairing the information with Adobe Analytics insights and matching things like bounce rates and high traffic pages," says Miche Dwenger, Vice President of eCommerce Experience for DICK'S Sporting Goods.

He adds, "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."



Bounce rates decreased **50%** and exit rates decreased **40%**.

Take the next step.

A growing number of businesses, including retailers, are planning to use technology to improve all aspects of the customer experience. According to an **Adobe and Forrester Consulting** survey, 56 percent of businesses will spend more on AI—which, when combined with the right data, is particularly well suited to help you understand the whole customer journey and learn how to make every touchpoint better.

Exploring customer experience technologies can be an important part of your journey to delivering an outstanding retail experience.

Medallia

About Medallia

Medallia is the pioneer and market leader in experience management. Medallia's award-winning SaaS platform, the Medallia Experience Cloud, leads the market in the understanding and management of experience for customers, employees and citizens. Medallia captures experience signals created on daily journeys, in person, on calls and digital channels, over video and social media, and in IoT interactions, and applies proprietary AI technology to reveal personalized and predictive insights that can drive action with tremendous business results.

Using Medallia Experience Cloud, customers can 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.

Merkle: Kick the Cookie Habit

It's time to prepare your retail business for the end of third-party cookies.

Through the rise of digital commerce, marketers have become increasingly addicted to cookies. But as tech companies and government regulations push them off our plates, business is struggling to adapt. All kinds of customer personalization across virtually all industries depends extensively on cookies—and marketers are unsure how they will be able to deliver personalized digital experiences without them.

Marketers know they must find a way to keep delivering personalized digital experiences in a world without cookies. Fortunately, a new approach to customer data can help them do it.

Finding a solution is a critical priority. Of the marketing leaders who responded to a **Merkle survey**, 91 percent said getting the digital experience right is essential to their brands' survival over the next 10 years.

The good news is you can still deliver personalized experiences at scale without cookies. This chapter provides some insight on how a new approach to customer data can help marketers hoping to adapt to—and succeed in—the coming cookieless world.

Find a healthier alternative.

In truth, the end of cookies may be less problematic for your business than you think. Marketers may serve them up by the dozen, but a lot of the data they generate is actually junk food that jams up the system. For example, if you sell auto insurance, it's probably not very helpful to know that someone likes to ski.

Focusing instead on the quality of your customer data—how you ingest it, enhance it, activate it, and secure it—not only helps you navigate a cookieless future, it also helps you drive more relevant and compelling customer experiences.

Customer data defined

When marketers and data scientists talk about data, you'll often hear them refer to first-, second-, and third-party data. Here's what that means:

- **First-party data:** This is information you have collected directly from your customers with their explicit permission, such as transaction history, survey data, loyalty program data, etc.
- **Second-party data:** This is non-personally identifiable information you receive from a trusted partner that previously collected the data from its customers with their explicit consent.
- **Third-party data:** This is information collected by entities that have no direct relationship with the people they are collecting data from, such as advertisers and social media platforms. Third-party data isn't always collected by cookies. For example, the National Association of Realtors gathers data on new home sales via reports from real-estate agents.

Let customers tell you who they are.

As stated in the previous chapter, one of the best ways to collect truly relevant data about your customers without cookies is to simply ask them. Whatever they share directly with your company is first-party data. Many customers are willing to share their data in exchange for lower prices or other benefits—for example, **39 percent** said they would share their personal data if they received discounts or other monetary compensation.

Promotions and loyalty programs are proven ways to incentivize customers to share relevant data. The same survey cited above also revealed that offering an incentive-based call to action with targeted promotions can yield 40 percent registration rates, helping to enrich consumer profiles and secure opt-ins for ongoing marketing and customer relationship management (CRM) activities.

Leverage strategic partnerships.

Another promising post-cookie strategy for brands is to build partnerships with complementary businesses that provide access to second-party data. These partnerships can involve cross-promotions that are valuable for both participating brands and their customers. For example, a sporting goods manufacturer and an outdoors-oriented retail chain might put together a special deal and offer it to both companies' customers.

Build your private ID graphs.

An identity graph is a collection of data known about your customers, such as physical and email addresses, phone numbers, device IDs, and other offline and online information—including cookie data.

For many years, brands have relied on public ID graphs, like those built by social media companies using tracking cookies, to power targeted outreach and personalized experiences. But as cookies are phased out, the value of these public ID graphs will diminish.

In their place, marketers should look to create their own private ID graphs. This kind of ID graph is owned and managed by the brand and built from first-party customer data collected from across its various business systems: sales and service platforms, websites and marketing channels, loyalty programs, mobile apps, etc.

Over time, each customer's ID graph grows in size (and value) with the addition of new first-party data and behaviors such as logins, site visits, media reach, outbound email campaigns, and more—along with the second- and third-party data marketers choose to import.

Develop a data strategy and toolset.

As you can imagine, data management and governance—including compliance with growing privacy regulations—are key to the health and value of private ID graphs.

Identity platforms such as **Merkury powered by Merkle** bring powerful identity resolution technology and other advanced features to help brands with this work in a variety of ways. Identity resolution is what allows marketers to connect disparate contextual, behavior, and enterprise information about their customers to better target, personalize, and measure marketing and advertising across an omnichannel experience.

Along with the platform itself, marketers need a firm grasp of the additional data they will use to enrich their identity graphs, and how they may want to leverage artificial intelligence (AI) and machine learning capabilities to drive modeling, attribution, and deeper insights about their customers.

Identity resolution pairs well with private ID graphs.

Adobe Experience Platform works seamlessly with private ID graphs like **Merkury powered by Merkle** to create a 360-degree view of the customer and allow marketers to orchestrate powerful, data-led customer experiences across marketing, sales, commerce, and service.

Ideally, your martech stack for the cookieless world should include an experience platform, an identity resolution platform, and a private identity graph.

Take the next step.

With cookies off the plate, the future may appear uncertain and worrisome. But by taking steps like launching loyalty programs, forging partnerships to collect second-party data, and building the right data strategies and tech stacks, marketers can position themselves for success in the post-cookie era.

The benefits of doing so are real and significant. In general terms, taking ownership of identity enables brands to do all of these things:

- Maximize reach
- Enhance targeting
- Improve personalization
- Reduce ad waste
- Measure and continuously improve

MERKLE

About Merkle

Merkle is a leading data-driven customer experience management (CXM) company that specializes in the delivery of unique, personalized customer experiences across platforms and devices. For more than 30 years, Fortune 1000 companies and leading nonprofit organizations have partnered with Merkle to maximize the value of their customer portfolios. Merkle is a dentsu company, with 12,000+ employees at its headquarters in Columbia, Maryland, and across offices throughout the Americas, EMEA, and APAC. For more information, contact Merkle at 1-877-9-Merkle or visit **www.merkleinc.com**.

Learn more about **Merkury powered by Merkle**.

Additional resources

"**Five essential recipes for retail success**," Adobe, January 2021.

Sources

"**2020 National Customer Rage Study**," Customer Care Measurement & Consulting LLC, the Center for Services Leadership at the WP Carey School of Business at Arizona State University, and Kraft Heinz.

"**2021 Customer Delight Survey**," Customer Care Measurement & Consulting LLC and VIPDesk.

"**2021 Digital Trends Experience Index**," Adobe and Econsultancy.

"**Adobe Digital Economy Index**," Adobe, February 2021.

"**Adobe Digital Economy Index**," Adobe, April 2021.

"**Akeneo 2021 Global B2C Survey: Results Report**," Akeneo.

"**Can Buy Now, Pay Later Save Physical Retail?**" PYMTS, March 1, 2021.

"**Consumers Demand Digital**" (survey), Adobe and Forrester Consulting, January 13, 2021.

"**Genesys Announces Partnership with Adobe to Deliver Contextual Customer Experiences**," PR Newswire, August 27, 2020.

Giselle Abramovich, "**Spike in Last-Minute Labor Day Travel Bookings Provide Insight into Future State of Holiday Travel**," Adobe, September 14, 2020.

"**H&M Fashions Unique In-App Experience with Klarna**," Klarna customer story for H&M.

Julie Ask et al., "**The State of Chat in Retail, 2021**," Forrester Consulting, March 23, 2021.

"**Mobile App Trends 2021: a Global Benchmark of App Performance**," Adjust.

"**Personalization's Golden Rule: Know Thy Customer**," Merkle and Marketing Dive, March 31, 2020.

"**The 2021 Guide to Building Customer Trust**," Khoros, 2021.

"**The Adjust Guide to Deep Linking**," Adjust.

"**The Global AI Agenda: Promise, Reality, and a Future of Data Sharing**," MIT Technology Review Insights, March 26, 2020.

Zack Hamilton, "**Buy Online Pickup Curbside Is Changing Customer Behavior: Retail's Biggest Opportunity**" (blog), Medallia, January 19, 2021.

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 specifically to create customer experiences. Each product is built on a foundation of 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 Commerce

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

Adobe Experience Manager

Adobe Experience Manager is the industry-leading digital experience management solution for enterprises and midsize organizations. It provides a modern, scalable foundation to deliver compelling experiences that promote brand engagement, drive demand, and increase customer loyalty. Experience Manager includes a complete set of tools to create, manage, and deliver digital experiences across all channels.

Adobe Analytics

Adobe Analytics has evolved beyond simple metrics to use machine learning, artificial intelligence, and other modern data analysis to become the industry's leading web analytics technology—delivering more accurate customer insights, faster than ever. With Adobe Analytics, huge amounts of data get organized, cleaned, and prepared at lightning speed with the help of Adobe Sensei. You get powerful segmentation and easy-to-read visuals of your website data. And you have the ability to easily curate all of this so anyone in the company can find their own insights, freeing you up to do the deep data science you were hired to do.

Adobe

Adobe, the Adobe logo, Adobe Experience Cloud, Adobe Sensei, Magento, and Marketo are either registered trademarks or trademarks of Adobe in the United States and/or other countries.

© 2021 Adobe. All rights reserved.