

A woman with long dark hair and glasses is shown in profile, looking towards the right. She is holding a smartphone in her right hand and a credit card in her left. A hand is holding a card reader near her head. The background is a bright, hazy outdoor setting.

THE PATH OF EXPERIENCE.

The five milestones to
experience-driven commerce.

2016

TABLE OF CONTENTS

5

Zero friction. Total engagement.

10

Segmentation: Matching the experience engine to the audience.

14

Personalization: A custom route for every driver.

17

Omnichannel: Reaching consumers on every road they take.

21

Dynamic content: Accelerate the experience with every interaction.

25

Experience analytics: Let data be your copilot.

28

Next steps: The home stretch.

There is no more business as usual. The world's biggest taxi company owns exactly zero taxis. The largest hotelier owns zero rooms in zero hotels. The hottest name in designer fashion sells no clothing. Some of today's hottest start-ups are taking on mature markets like beauty and grooming with zero product innovations by simply changing the way people shop. Uber, Airbnb, Rent the Runway, Birchbox, and the Dollar Shave Club all have one thing in common. They don't sell products — they sell experiences.

Experience is the currency of a new age. The strategy of leveraging products to gain a competitive advantage is rapidly becoming obsolete. Copycat manufacturing is now so fast and cheap that innovators capture less than three percent of the economic surplus they create.¹

Price and selection are practically irrelevant now as advantages in light of “everything stores” like Amazon and Alibaba. Consumers today face a new and daunting prospect: infinite choice. When everything is available all the time, at any price, experience is the remaining true differentiator.

Infinity is a lot to wrap your brain around, but experience is different. It is the sum total of a customer's interactions with a brand, at every touchpoint, from awareness to interest, research, purchase, and consumption. But it's also more than that. Experience is how these interactions make the customer feel. Experience is the pathway for marketers to cut through the endless noise and engage each customer individually on an emotional level.

Powerful experiences change the way we interact, entertain, work, and relate to the world around us. Experience-driven commerce changes how we shop. In simple terms, this refers to a commerce model that is built around the consumer, rather than starting from products or processes. While it uses the same kinds of images, text, videos, screens, design, fonts, and words others use to tell the story of a product or a brand, this experience-led model is far more transformative. It can transcend boundaries and create new ways to connect. Experience can be its own product.

Because so much of the customer journey is now digital, we have the power to measure it. We can know rather than guess how it looks and feels, and how audiences and individuals respond. With this knowledge, we can craft powerful experiences that get results, capturing the customer's time, attention, and loyalty. Think of an experience as a story. The customer is the protagonist. You are the author. With the right tools, you can craft a literal best seller for your products and brand.

Zero friction. **TOTAL ENGAGEMENT.**

Over lunch, a customer opens the mobile app of a prominent shoe retailer on his phone and searches for shoes by style, size, and color. He adds a few pairs to his cart, but closes the app without deciding. That night, an email nudges him. He opens the company website on his tablet. The site remembers him. Pulling up the product pages right from the cart, he zooms in on the details, which are easier to see on a larger screen. When he picks a pair, the site knows he is a VIP customer and preselects free overnight shipping.

A customer is home on a Saturday morning. The sun is out, but her garbage disposal is on the fritz. A Google search leads her to a national DIY chain, where a free video shows her how to install a new one. Clicking to the product page, she sees that the nearest store has three

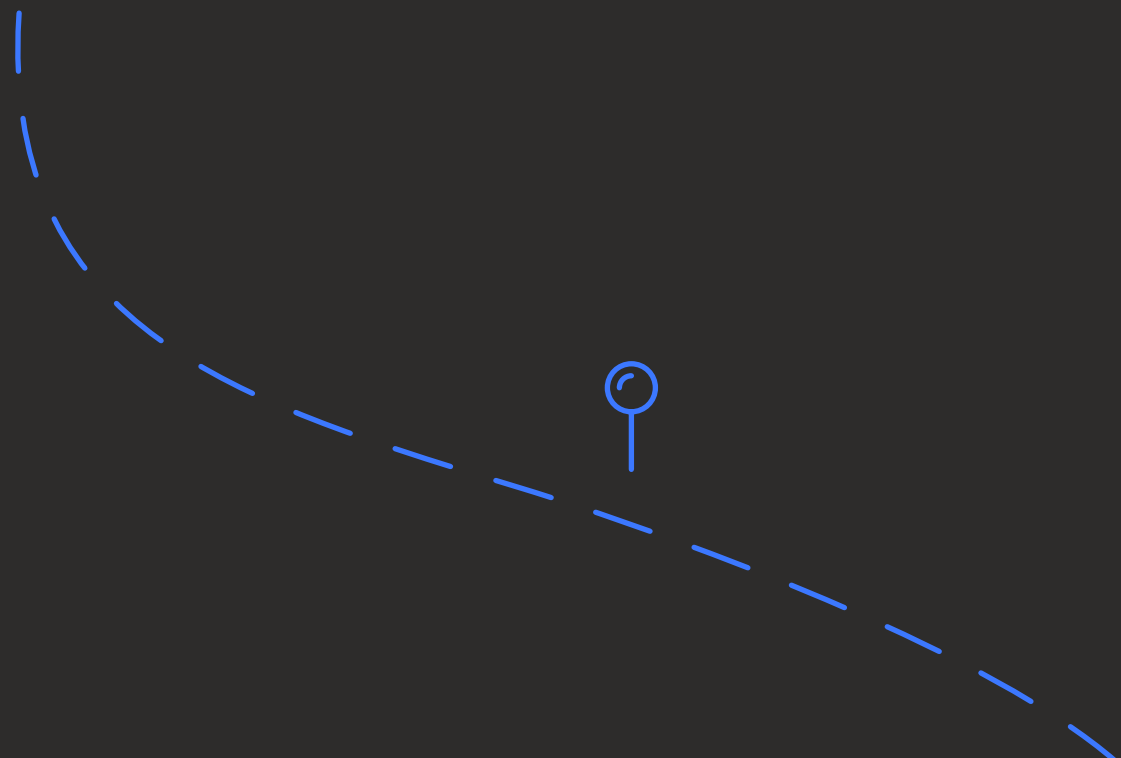
units in stock, just 2.4 miles away. Minutes later, as she walks in the door, the Lowe's app on her smartphone guides her to the right aisle and then suggests some tools to make the job easier. Within a few hours, her sink is working and she is free to enjoy the weather.

On a trip to London, a couple drop into a local fashion retail chain store, looking for a sweater and a jacket. Maybe they look lost, because a sales associate approaches, holding an iPad and offering to help. She looks up the size conversion chart and leads the couple to the respective sections they're looking for. When each takes their desired item into the fitting room, an RFID tag triggers the mirrors to show catwalk footage of models wearing the same piece with different combinations. This makes them confident in their choices.

This is all uncharted territory, but it's no longer optional. The ideal experience may vary for each industry, or market, or even for each individual customer. But all effective experiences share five core attributes (see figure 1):

- 1. The experience is compelling.** It speaks to the customers' interests and draws them in with relevant information. Like when REI.com greets a woman who enjoys water sports with direct links to kayaks and swimwear and offers her the perfect deal. This requires segmentation.
- 2. The experience is personal.** It understands who the customer is, where they are, and what they like. For example, Coca-Cola remembers a consumer's favorite mix and serves it up on their custom soda machine with one click. This requires personalization.
- 3. The experience is everywhere.** It displays perfectly across devices and remembers each customer so the conversation can continue whether they are working, reading, watching, or shopping, in a store, on a mobile device, or in their car. These are omnichannel interactions.
- 4. The experience is engaging.** It's beautiful and dynamic. Media and content tell stories that connect with customers and put the product within reach. As when The North Face lets them make purchases directly from action videos. This requires dynamic merchandising.
- 5. The experience works.** It's useful, so people can get things done faster. It is smooth and never frustrating, because you put in the work, catching and correcting anomalies and gaps or bumps in the road. This calls for advanced analytics.






The goal is to use capabilities associated with each of these attributes to craft an experience so engaging that it leaves zero space between your audience, the consumer, and your brand. Zero distance to the ideal product at that place and moment in time. Zero effort to reach the information that matters. Zero distance between the product and the sensations and emotions that drive the customer to buy it. This is no small undertaking. You will have to invest in technology. You may need to make painful changes in your organization. Most important, you will approach commerce with a new set of standards and methods.



The connected society has torn down barriers to information, outcomes, and relationships. Consumers expect brands to inhabit the same connected space, presenting a consistent personality, seamless and engaging across all platforms, listening to the customer, providing memorable experiences, responsive at all times and across all touchpoints. It's up to us to put ourselves in the customer's shoes.

Figure 1: Experience Driven Commerce Road Map

The path to experience-driven commerce will be different for each company. Start where you are, define your goal, and move progressively to get there. Consider this roadmap as a high-level scorecard, a tool to start a discussion about where you are today relative to where you need to be and the capabilities required to get there efficiently. The goal is to move your organization as far to the right side as possible for each capability.

	Brand presence	Customer engagement	Customer interaction	Experience optimization	Strategic growth
 Audience Segmentation	Basic audience segmentation with broad customer characteristics	Audiences created from multiple sources of owned and 3rd party data	Audiences and segments built upon static and dynamic customer data and online behaviors	Audiences that can be automatically targeted and amplified to drive high quality new customer acquisitions	Sophisticated audiences and segments married with customer profile information to drive targeting of entirely new segments
 Personalized Shopping Experiences	Unknown visitor content targeting	Manual known visitor targeted content	Business rules for personalized media and content targeting	Shared customer profile across touchpoints that drive automated decisioning for content targeting and personalization	Automated cross-channel experiences and content targeting that adapts to changing customer behaviors
 OmniChannel	Marketing campaigns and customer experiences designed for and deployed in specific channels	Marketing campaigns and customer experiences that can be manually deployed across devices	Customer shopping experiences that are consistent across all devices and channels	Reduction in redesign and rework for cross-channel campaigns that enables faster time to market	Channel agnostic content authoring and support that is informed by CRM and ERP. Scalability and security built into core
 Dynamic Content	Creating, managing and organizing product shots and digital assets in a single location	Creating, managing and organizing video content and shoppable media	Acceleration of creative and production cycles coupled with elimination of workflow redundancies and use of dynamic content	Improved collaboration and access to digital and campaign assets (across touchpoints and teams) and responsive and adaptive delivery of dynamic content to all device types	Reduction in time to launch new marketing campaigns, collections, and products to market
 Experience Enabled Analytics	Clicks, downloads and views reported in aggregate by page and content	Content usage KPIs generated and reported for key personas and buyer segments	Single source attribution modelling with content impact rated by buyer journey stages	Algorithmic attribution for content. Experience specific KPIs reported across channels	Customers recognized and content targeted across channels at a 1-to-1 level

Sidebar: Industrial experience.

The nature of experiences differs from industry to industry. So do the challenges in delivering them. Adobe partner Razorfish has helped a number of clients in different industries with their experience commerce initiatives. Some of these are described here.

Working with retailers to obtain data and combining it with first- and third-party sources will open the door. Razorfish used this approach to help Mondelēz to analyze gaps in their current consumer and retailer framework and find better ways to deliver consistent experiences across platforms.

Bricks-and-clicks retailers rely on a tremendous amount of data in their online channel to deliver personalized experiences. Their challenge is creating experiences that bring online shoppers in the door. For many of these companies, an omnichannel shopper is far more valuable. This space is also their largest opportunity for growth. Understanding audience segmentation will also help these retailers to target shoppers across devices and channels to deliver compelling messaging. Razorfish has worked with many of these retailers, including hhgregg, Walmart Canada, and Target.

Consumer packaged goods companies are in a period of disruption. These brands need to decide how to create direct, data-driven relationships with their customers. How to engage consumers directly without upsetting the retailers they depend on may get tricky.

The apparel market is driving new and interesting omnichannel experiences. They are trying to transcend real-world and online experiences for shoppers who want to touch, feel, and wear their goods before leaving the store and making the purchase later. Apparel stores collect and analyze data and create segments to deliver personalized experiences across multiple channels, including the physical space.

This is one industry where brands tend to have some expertise across all facets of experience-driven commerce. Each manufacturer had unique audiences and gaps they wanted to fill in order to grow in the marketplace.

Dynamic merchandising is key. These companies need to own the “single URL of truth” for their products and bring consistent experiences to life for consumers. The notion of owning the digital shelf at third-party retail sites, as well as their own, requires changes in technology and content and increased organizational flexibility.

Pure play retailers continue to face a balancing act among volume, personalization, and dynamic merchandising. They tend to be very good at using analytics to build their sites and optimize revenue. However, huge numbers of SKUs and standardization mean they must temper the goal of intricate customized experiences in the name of efficiency.

These companies must also deal with brands that want to provide their own experiences within the retail platform. This trend has sparked the rise of marketplace retailers who become facilitators rather than traditional retailers, providing spaces where brands can sell themselves. Tmall in China is one such space.



SEGMENTATION:

Matching the experience engine to the audience.

The first milestone on the journey is to truly know your audience. In experience-based commerce, an audience is no longer who happens to be paying attention, but a specific subset of consumers—a group defined not by some arbitrary demographic, but by actual shared characteristics that describe each member and predict their affinities, preferences, and behaviors. Each member of an audience will identify with the same story.

Audiences exist naturally, but it's up to you to identify them. You'll find them among existing customers, using a data management platform that lets you explore different variables and parse groupings of customers who behave in similar ways. Think of an audience profile as an aggregate personality, describing what its members have in common. Once you define an audience, you can craft an experience that speaks to its members in effective and personal ways. You can also use that profile to find and reach new consumers with look-alike modeling strategies, which allow you to build larger audiences—who all look like your very best customers.

Define your **AUDIENCES.**

Each customer is unique, but similar people share both attributes and behaviors. In practical terms, this allows you to reach many individuals with a collective message and expect a certain desirable result. You can collectively adjust customer journeys for an entire audience. An audience is a group that's large enough to matter, but small enough to be distinct. A detailed profile can be targeted more precisely and more effectively.

You have plenty of information to go on. They call it big data for a reason. There's a lot of it, if you can get all the data your company has already collected and purchased into one place in actionable form. This is where a data management platform comes in, pooling all this information so you can experiment with traits that help you find these natural groupings.

Public and private data.

Consumers leave many clues about themselves in every public and private transaction. Much of this information is available for integration into the right system:

First-party data is any information your company collects directly. CRM, ERP, and other marketing solutions contain information like recent purchases, locations, demographics, and product interests. This can be enhanced with data from your websites, mobile applications, and other company-owned channels. When managed properly, this data is the core building block for personalization.

Second-party data—exchanged between partners or through a formal information exchange—can fill in some gaps. Data sets may be limited in terms of diversity, but their strategic value can be enormous. For example, data from multiple sources can enhance your ability to identify individual users across devices without revealing consumer information.

Third-party data might cover purchases from other vendors, content viewed on other websites, or groups and activities the consumers are interested in. Third-party providers like Experian, Datalogix, or Axiom offer a breadth of information about consumers to the open market, including behavior- and intent-based data gathered from external websites and data aggregators.

Map **EXPERIENCES** to reach your audience.

Once you define an audience, you can create engaging content that appeals to the specific wants and needs of its members. You can reach out to them as a group with targeted campaigns through email, social media, direct mail, or any other channel. You can communicate both ways, learning from each interaction how to improve their experience over time.

This extends beyond simple strategies like presenting parents with products for children or issuing special offers based on age or geography. You can craft an entire customer journey for each audience based on combinations of traditional attributes, deeper demographics like size or income levels, preferred leisure activities, or even group and brand affinities, so you can reach audiences everywhere they go. That journey can then be tested, modified, optimized, and monitored for anomalies.

An audience must be large enough to make a difference, with sufficient numbers to test and get valid results. Advanced analysis can then show you how audiences use each channel on their collective paths, so you can see where a certain group is struggling and where they're finding success. Every round of testing is an opportunity to drive conversions and deepen relationships.

Predict and deliver.

Real-time data can be used to customize an experience for an audience, driving conversions across the entire group. Consider this example:

Lenovo, the PC manufacturer, uses the Lenovo Index for Scoring Audiences in conjunction with analytics software to predict when a visitor to the website will make a purchase. They then deliver the content that's most likely to meet that customer's needs based on that score. "[LISA is] almost 90% accurate," says Ashish Braganza, senior manager of global business intelligence. "[And] it's actionable in real time."²

Find new customers who fit the audience **PROFILE.**

Knowing your audience, how they relate to the brand, and what makes them likely to complete a purchase gives you powerful information that can help you reach untapped markets. Over time, you'll build a data-driven understanding of the messaging and media that will reach your most profitable new customers.

Not only will this make your marketing more effective, but you'll also be able to simply use third-party resources to purchase preexisting audiences that fit your successful profiles. Applying what you've learned through analytics to external marketing will maximize the impact of every dollar you spend.



Audience as laboratory.

Sometimes, the knowledge you gain can be worth the investment in developing an audience.

Since 2014, Under Armour has acquired several popular fitness apps and combined them to form UA Record. With 120 million users, this is now the world's largest platform for listening to and learning from consumers. Only nine percent have purchased Under Armour products, but the company is just starting to explore unprecedented insights into its audiences.³

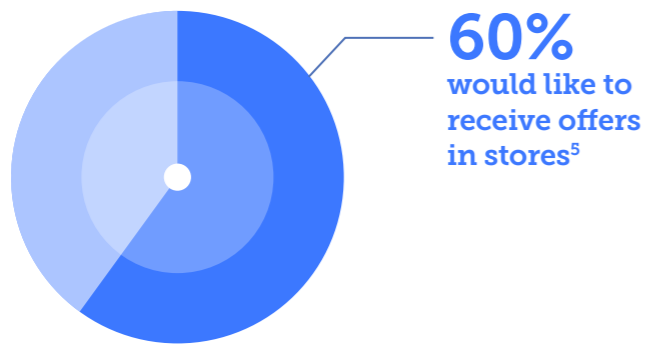
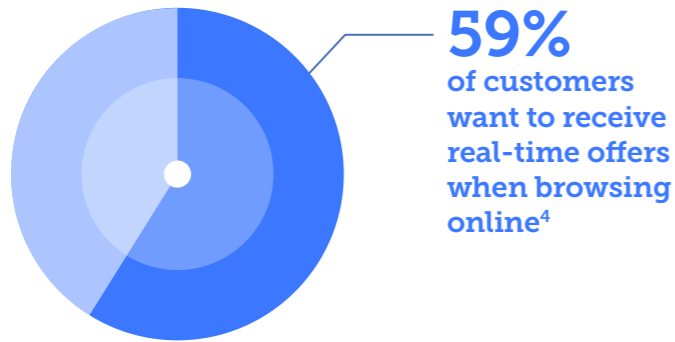
PERSONALIZATION:

A custom route for every driver.

The second milestone to experience commerce is taking that valuable audience and customer information and acting on it. If a consumer is going to give you their personal information, they expect you to do something special with it.

Marketers have been using personalization tactics since the early days of the Internet, from customizable Yahoo pages in the 1990s to Amazon's recommendation engine in the 2000s. Now, as customer expectations evolve alongside digital capabilities and channels, personalization is less about special offers and more about creating the right experience. By 2020, brands adopting the technology and strategies to deliver personalized experiences will gain a sustainable advantage over brands that don't.





Forrester reports that companies that personalize web experiences and measure the outcome are seeing, on average, a 19 percent increase in sales.⁶ Since personalization increases loyalty, the long-term impact is even greater. According to Bain & Company, increasing customer retention by just 5 percent can raise revenue by 40 percent or more.⁷

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At the same time, polling by Econsultancy shows that only five percent of marketers are using technology to personalize extensively, while 29 percent practice no personalization of any kind.⁸ This isn't particularly surprising, considering the degree of automation that's required to create individual experiences across multiple channels for each customer. The volume is simply too vast to be done manually, but attempts that fall short can do more harm than good. Seventy percent of customers who do receive personalized experiences call them superficial, and 63 percent say it is not compelling, but annoying.⁹ This is a problem akin to the old stereotype of an aggressive salesperson who pretends to be your friend.

Bring personalization to scale with **AUTOMATION.**

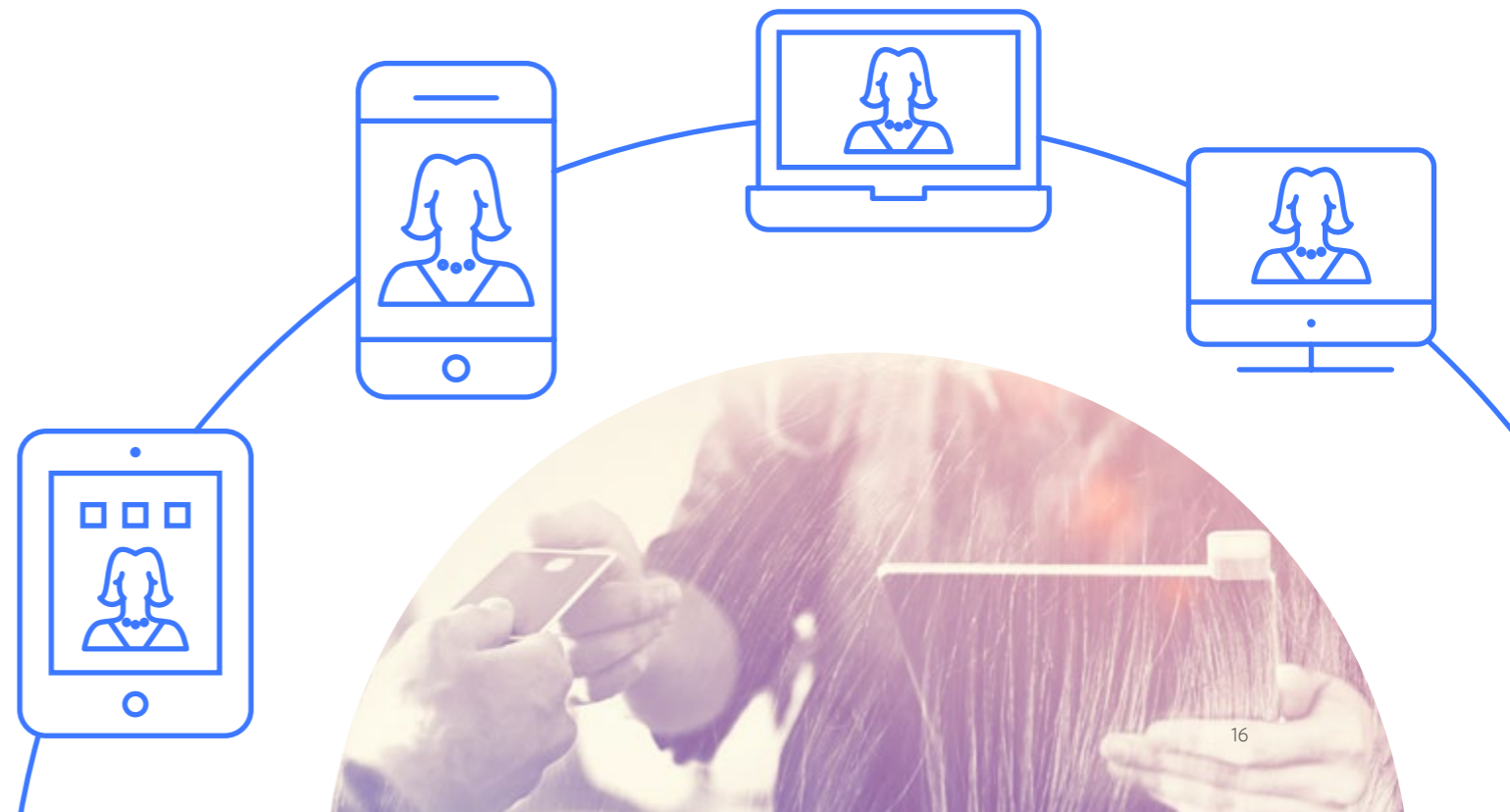
In order to speak to the consumer not as a group but as an individual customer, you must automate the process of getting acquainted. Progressive personal profiles let you slowly move that individual from an unknown to a known user. Customers leave digital fingerprints on every interaction. Adding them up, these hints can give you a more complete picture of where they are, what they're doing, and even how they're feeling. Used effectively, the insight from this data can help you to predict customer needs, so you can offer the right product or service at the right time. Data can also help you understand what your customers want rather than guessing what you think they want.

While it's important to acknowledge the potential for creepiness, profiling is necessary, and it can be done with sensitivity to privacy concerns. Some information is public, like household income or home cost. Some is private but publicly available, if not directly connected to the individual through personally identifying information (PII). Once it is purchased, third-party data can be pooled and appended to existing profiles to flesh out more complete pictures of each customer.

This is easier said than done. Even rich data is often internally fragmented within companies across client databases, CRM systems, and marketing departments or siloed in a call center or the IT department. Each system has its own audience management capabilities and, in some cases, its own segmentation tools.

Even worse, each platform may be sending different messages to the customer, each through its own channel. The result is a scattered mess that is likely to annoy and frustrate the customer.

At the same time, customers are constantly moving among screens, channels, and devices. One customer might use four different devices, which may be tracked as four distinct users. Multiple users might use the same device, further disrupting your ability to get a single view of each customer. Understanding how they experience the brand takes a deeper level of customer intelligence. What you need is a way to merge audience profiles, combining all this dispersed information into a single, 360-degree view.



OMNICHANNEL:

Reaching consumers on every road they take.

The third milestone on the experience-driven roadmap is putting those relevant, personalized experiences where they count. From the customer's perspective, any distinction between the paths they might take is irrelevant and obsolete. Where the company sees multiple channels, the customer sees a single journey and expects consistency across all devices and through every interaction. Different customers use channels in different ways—without differentiating between touchpoints and channels, inbound and outbound. The consumer is everywhere. Retailers need to be there as well.

Certain silos are built into our vocabulary. Take the word *channel*, which refers to types of technology that connect us with our customers, but inherently separate us from the reality they live in. For them, every touchpoint is a conversation with the same brand, no matter the venue or the screen size. Their experience is impacted by every channel and interaction and therefore almost every department within a company, digital or not. From a recent survey on customer experience, "13 different touchpoints are regarded by at least half of client-side survey respondents as being central to the customer experience, and only three are cited as central by a minority."¹⁰ In other words, every interaction matters.

Building a good customer experience requires linking technology, data, and teams to make experiences consistent and seamless. For example, as the digital economy grows, consumers will make more purchasing decisions outside of a store—even if the actual purchase takes place in a traditional retail setting. It is critical to create interactive, immersive, and personal online experiences that are consistent with the brand story, from desktop to mobile phone and tablets to in-store.

Link them all with **MOBILE.**

No device is more personal than a mobile phone. A phone is always on and typically at hand. According to the Adobe Digital Index, mobile now accounts for 50 to 70 percent of all consumer interactions with brands. The top 20 percent of sites analyzed in Adobe's benchmark research have already passed the tipping point where more than half of their traffic is mobile. It is no longer a question of if or when but rather how sites become mobile-first, if not mobile-only.¹¹

Even when mobile is not the primary channel, it often serves as a second-screen or cross-channel resource, even—or especially—in a brick-and-mortar setting. Globally, 40 percent of customers use their mobile phone to compare prices or check reviews while shopping in a store.¹² This opens the door for intelligent contextual marketing, where mobile is viewed as a behavior rather than a separate channel or technology.

Because the behavior is constant, brick-and-mortar retailers can use mobile to augment the store experience, using various technologies.



Casino, a French supermarket, uses labels enhanced with near field communication (NFC) so customers can access product information and pricing on their smartphones, scan items they add to their basket, and pay instantly by tapping their phone on a reader at the cash register.



When a customer's smartphone connects to the in-store Wi-Fi, Walmart's mobile app switches to store mode, leading the way to items on the customer's shopping lists, monitoring the running value of items in their basket, and processing payment at checkout.



Apple also offers an in-store mode, which checks upgrade eligibility and the current trade-in value of a customer's iPhone if the beacon senses that the customer is at the iPhone display table.



Walgreens uses geofencing to update the classic store survey you usually find at the bottom of a receipt. When a customer leaves the store, Walgreens sends a push notification through their app asking about the customer's experience. The interface is clean, with nothing but smiley and frowny faces.

The simple experience takes control of a possibly negative situation and turns it into a positive one. No wonder nearly every major retail, hospitality, and sports brand is using, considering, or testing beacons, according to Signal 360, a New York-based beacon technology firm. Beacon installations are projected to expand from 30,000 active units at the end of 2014 to 4.5 million by 2018, including 3.5 million by retailers. As reported in the *Los Angeles Times*, 60 percent of shoppers opened messages from beacons.¹³ Thanks to positive beacon experiences, over half of those surveyed said they would do more holiday shopping.

Consumers who engage with some form of digital technology before and during a visit to a brick-and-mortar store are 40 percent more likely to convert.¹⁴

Here's another way to look at it: Technology is no longer optional, but a crucial part of brick-and-mortar retail shopping. It is changing retail spaces, which can still offer an experience consumers cannot find elsewhere, blurring the lines between mobile and physical experiences. Simply put, the experience can be so captivating that it keeps bringing customers back. Robotics, wearable technology, and cognitive computing will soon be commonplace, part of the way retailers operate. In reality, stores that don't adopt digital technology will soon be left behind.

Let **PRODUCTS** contribute to the experience.

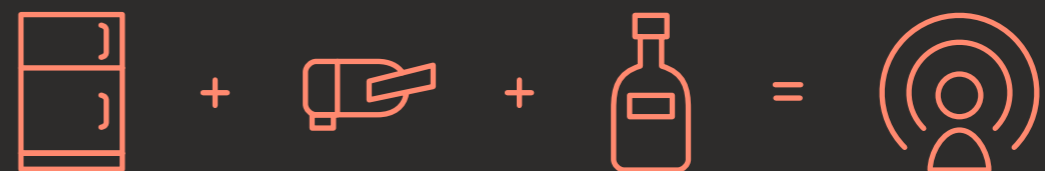
The proliferation of objects designed to communicate over the web—like the refrigerator that knows when you’re running out of milk—will continue to expand the number of channels and touchpoints. Each will present its own technical hurdles, but companies that practice experience-driven commerce will see them as opportunities to engage—to communicate with the user or, more importantly, to eliminate the need for the user to communicate.

For example, a new water-filtering system from Brita knows when it’s time to replace the filter and automatically submits the order via the user’s Wi-Fi.

On the other hand, a “smart bottle” of Johnnie Walker Blue Label whisky sends cocktail recipes and other exclusive content when the bottle is opened.

In both cases, the product itself becomes an additional touchpoint, where companies can develop specific experiences to make customers’ lives better, engage with them, and get to know them better.

The Internet of Things offers the potential for even more data and insights about customers and the real problems they face in their daily lives. The key will be to think about consumers first, using technology to address those problems, not to show off a shiny new toy. Not to say that there isn’t value in the novelty. But in the long run, practicality will prevail.



Put content **EVERYWHERE.**

Developing content for every possible channel is a daunting undertaking, but the reality is less challenging than it would appear. The goal is to tell a single story, woven together, using the strengths of each channel. Multiple channels do not require multiple strategies, but rather a single overarching story. Be sure to create documentation so that everyone has something to refer to.

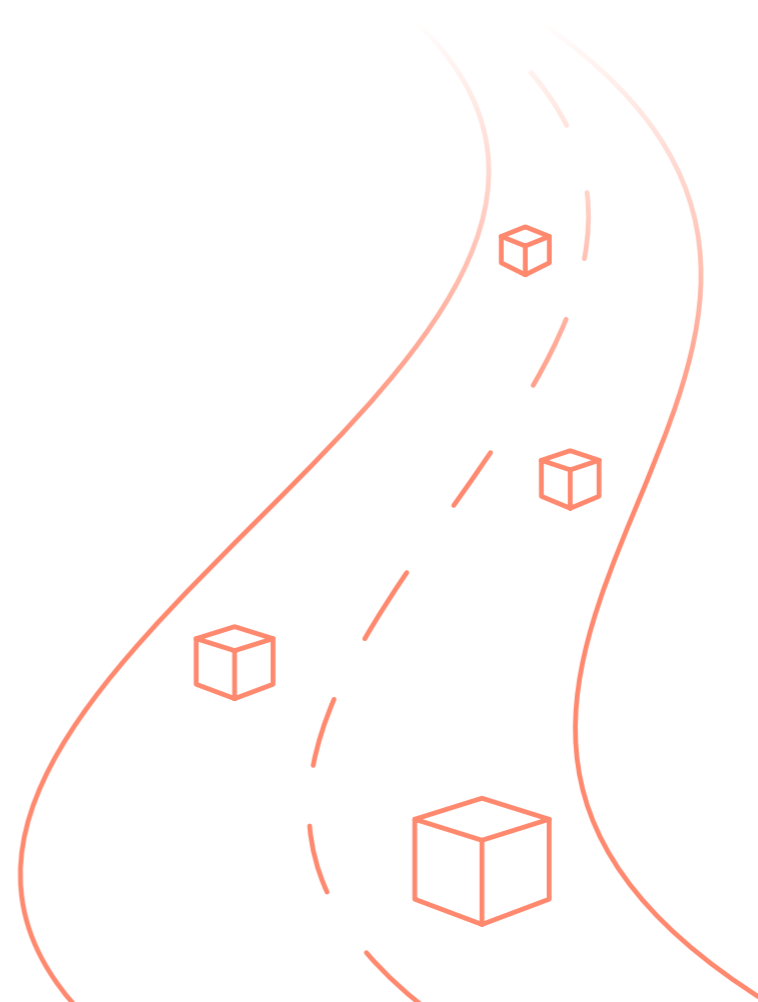
The effort will pay for itself. Forrester conducted a Total Economic Impact survey of a large U.S. specialty retailer that had invested in technology to execute a cross-channel strategy. According to their in-depth analysis, the retailer paid back its initial investment in 6.6 months, boasting an ROI increase of 338 percent and risk-adjusted benefits of \$29,334,306 over three years.¹⁵

According to Jason Goldberg, Senior Vice President, Commerce and Content Practice at Razorfish, over 50 percent of all sales today are digitally influenced.

“The folks that are delivering on the consumer’s expectation for a digital experience are winning. The folks that aren’t are losing. And, you know, they simply aren’t going to survive.”¹⁶

JASON GOLDBERG

Senior Vice President, Commerce and Content Practice
Razorfish



DYNAMIC CONTENT:

Accelerate the experience with every interaction.

The fourth milestone on the roadmap is drawing the customer in with interesting content, engaging experiences, and reasons to believe that shopping on your branded site is different or better. Brands must instill a perception of increased value, a content-driven experience rather than a commerce-driven experience. Dynamic content and shoppable media can bridge that gap, using the latest tools to tell compelling stories that take buyers straight to the checkout line. This is where experience is elevated, becoming a product in its own right.

Experience-driven commerce requires that we re-imagine what shopping looks like. By escaping the restraints of grids and other traditional designs, you can create an engaging experience—one that's consistent with the brand and responds to customer demands, propensities, and buying cadences. Compelling storytelling and editorial content can build emotional connections with consumers. Immersive, interactive, and sensory devices can reinforce brand perceptions. A tailored shopping experience that resonates with your customers' lifestyle, needs, and aspirations with relevant product recommendations and offers that your customer values, informed by a clear understanding of the customer, will keep them coming back—and clicking Buy Now. This may require some organizational learning.

Consider Marks & Spencer, the British retailer, which has hired an editor from *Condé Nast* to build out content. Trends, cooking shows, and guides on what you should wear, how to pick out a tux, how to plan for your brother's wedding. Consumers now come for the content as well as to shop. In essence, this is making them both a retailer and an online magazine. But multitasking doesn't always work. Content for retailers must follow products. You're not just chasing eyeballs. That traffic has to convert.

Another example is Vans, the skateboarding footwear and lifestyle brand. Vans.com greets online customers with dynamic media that affirms its stylishly rebellious credentials. Movie trailers, athlete bios, and news briefs announcing events like contests or concerts appear beside highlighted products. Video clips bring real-life brand experiences, like sponsored contests and concerts, into the digital context, inviting visitors to join an inner circle.



Make shopping **EASIER.**

Every step the customer has to take to get from product to purchase is an obstacle that will cost you sales. Shoppable media breaks down these barriers, allowing consumers to view product details and buy buttons on specific products featured in lifestyle imagery and video in nontraditional shopping channels such as blogs, lookbooks, and other editorial or lifestyle content. Rather than having to search for or navigate deep into category and product detail pages to find more information on a featured product, the consumer can roll over or click directly on the featured product to view details. This makes the purchase process easier and more compelling.



Emotional connections. One-click sales.

Shoppable media engages online customers and eliminates obstacles to closing the sale:

- A virtual in-store digital display showcasing lifestyle imagery and video that allows customers to click on featured products to shop and order directly from the display, or to send special offers from it to their mobile device or the store's loyalty application
- Zoom-and-pan product images, 360-degree spin, videos, and other dynamic digital assets that automatically resize for optimal display on any device to mimic physical examination
- Lookbooks, collections, videos, and articles linked to dynamic product information and pricing so customers can learn about products through various media and add them to a shopping cart

Consider The North Face. The dominant outdoor recreation brand incorporated video click-throughs to its website. The old way required customers to close the video and find a link or use the search bar to reach a product page just to *begin* their research, much less make a purchase. Now simply clicking or even hovering over the video puts it all at the customer's fingertips.

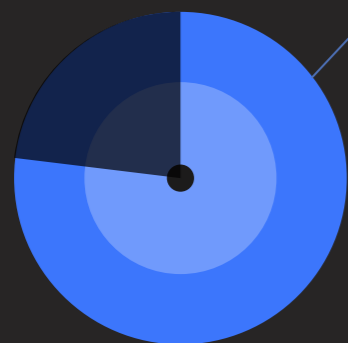
Dynamic experiences like virtual in-store window displays, shoppable editorial content, zoom-and-pan product images, or lookbooks, collections, videos, or articles linked to product information and purchase

buttons let online consumers replicate an in-store experience on their mobile or desktop device. This not only increases engagement but makes your brand really stand out.

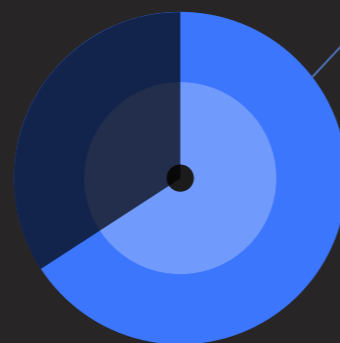
Shoppable media, like any new technology, must be used with purpose and intention, as part of an overall plan and understanding of the consumer's needs. Like any asset, shoppable media should be used to tell compelling product stories that simultaneously inform the customer about everything they need to know to make a purchase decision. Doing so produces spectacular results.

Last summer, a consumer panel compared their experience using a traditional product category page and one enhanced with shoppable hotspots.¹⁷ Both pages were otherwise identical. Customers could tap on the product in the lifestyle image and be instantly directed to a quick view of product details, including zoom, alternative product views, pricing, size, and an "add to cart" button.

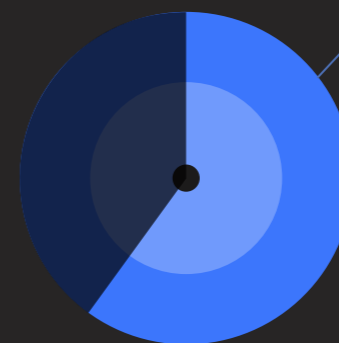
After using the shoppable hotspot experience:



77%
of shoppers said
the hotspots made
navigation easier.



66%
found enough
information to
make a purchase
decision (25
percent better than
the nonshoppable
version).



60%
felt that shoppable
hotspots improved
the shopping
experience.

Smooth out the friction of **LOGISTICS.**

Developing dynamic content across channels is no small undertaking. Large brands deal with overwhelming volumes, photographing as many as 20,000 products a day. Dynamic content will require even smaller brands to deal with increasing volume. This is only possible with workflow efficiency and automation.

Asset and content management systems can ease the burden. Asset management systems let you centralize elements of content—video, audio, images, text—where they can be easily managed and deployed as needed across all brand communications, adapted to each use or device. Marketers should decide which content and stories are going to be your flagship assets. From there, you can repurpose that content to unlock the power of each additional channel.

Shoppable media, specifically, isn't easy to create, but one problem is organizational. The production people aren't merchandisers. The merchandisers aren't producers. The right platform would make it easy for the merchandiser who understands the project to take video that's already been shot, drag and drop the product detail, and link it to their SKU information, right in their digital asset management system. A marketer-friendly way to link lifestyle content with product that's not dependent on an agency or a video producer or a specialized technology.



Dynamic media in stores.

Even in physical locations, shoppers can benefit from digital technology, incorporating the rich information and media typical of online shopping.

Vanquish, a Tokyo clothing store, uses virtual digital models, with outfits triggered by a customer removing a hanger from a rail. Using simple projection technology, customers can see how models look in the clothes they're considering.

At Marks & Spencer stores, a head-to-toe touchscreen lets customers swipe through the store's catalog for ideas, watch videos about products, or look at items recommended to them based on previous product views. Shoppers can digitally review clothing in their actual size with the same technology they're accustomed to using on their phones.

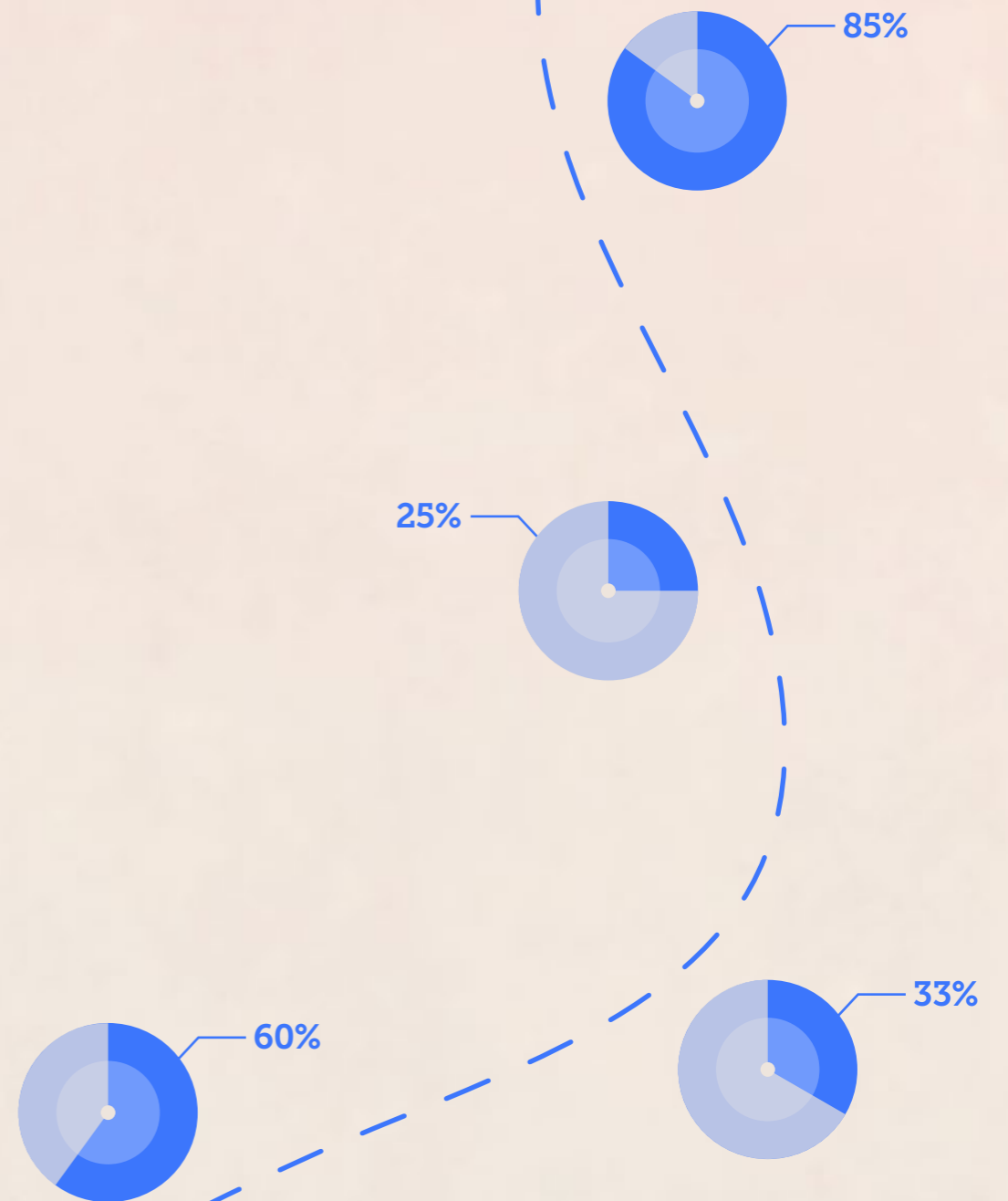
Using the company's mobile app, visitors to American Apparel stores can scan any item to pull up reviews, watch product videos, and even order online, if their size or color is not on hand.

EXPERIENCE ANALYTICS:

Let data be your copilot.

The final milestone to pass on your road to experience commerce is to always know where your customers are at with your experiences. Real-time data lets you watch over your customer's shoulder to see how they're engaging with your brand right now. Every digital interaction leaves a clue. With the right tools, you can now trace those clues, independent of IT departments or consultants, to understand the journey and smooth out any rough spots. You can lead customers where you want them to go: from awareness to conversion.

Real-time analytics, combined with statistical modeling capabilities, let you quickly mine mountains of data for something more valuable: the understanding you need to craft an experience. Get to know your customers, individually and in the aggregate. Learn about their wants, needs, and frustrations. Implement data-driven solutions and measure the results. Make each interaction better than the last.



Use **ANALYTICS** to advance the customer journey.

To be everywhere your customers are, you need a detailed, end-to-end view of the customer journey. This is no longer a mystery, but a set of interactions and touchpoints that can be mapped, measured, and improved upon. What you are measuring is consumer behavior, as it compares to a hypothesis. Your goal is simple: Drive conversions.

Rich data lets you accomplish this by interacting with the customer, in an automated fashion, through websites, mobile apps, retail digital technology, and any other device that puts you in touch. Use this capability not only to enhance the experience but to drive conversion and loyalty at key moments in the journey.

Tumi, the luggage retailer, uses analytics to understand how interactive elements affect customer experiences and sales. Since adding dynamic content such as multiple product views and zoom features, Tumi has seen its customer session times increase by 40 percent. This data has also helped Tumi to fine-tune the personalization services it offers, such as monogramming bags and tags.

Analytics is the backbone of The Home Depot's experience commerce platform, collecting real-time insights on customer behaviors into dashboards that share those insights across teams. The resulting data sets support marketing activities across channels, enabling not only personalized content for websites, but even personalized ad strategies. Customers receive ads that speak to them directly, whether they're a do-it-yourself type or a home improvement professional. Marketers get more mileage from every dollar spent.



Measure. Adjust. REPEAT.

Combining real-time data with anomaly detection, you can see where the journey is failing your customers. As a marketer, you have greater insight than anyone into your customer touchpoints and your investment in various channels. When something is out of line, when a high number of customers are leaving your site or your app, analytics let you ask why and get the answer, so you can do something about it.

Say your website bounce rate is going up. This is an anomaly that can be flagged. Then you can use contribution analysis to look into all the factors that may be part of the problem. Are people bouncing because they don't see the item they searched for on your home page? Are they not going deeper in your site because the email list you rented to get them to the site was composed of people outside your target segment? Are they leaving your home page without looking any further because they're visiting your desktop home page from a mobile phone, and the content isn't responsive to their specific device? The right slice of

data can help you answer all these questions and make adjustments on the fly, and then turn around and measure the outcomes. Repeat as often as it takes not only to fix what's wrong, but also optimize the entire process.

With the right strategies and tools for algorithmic attribution, you can understand the complete sequence of events that are most likely to lead to conversion and those that turn your customers away. Then you can react in real time. The longer any channel is in service, the more data you collect, and the more testing you perform. A constant cycle of testing and optimization.

You have to develop a culture of experimentation. Not trial and error, but testing and adjustment. When every interaction can be measured, there's no more guesswork. You can know for a fact how consumers experience their relationship with the business. When data comes out of the shadows, when you use this new understanding to inform future decisions, you move from what Forrester calls a "system of record" to a "system of engagement."

Next steps:

THE HOME STRETCH.

Today, companies must learn to differentiate themselves through experience to stay alive. This requires a high degree of digital maturity, and to achieve this, some companies will need to make fundamental and potentially taxing changes. All must acquire and integrate numerous tools and technologies in order to manage and scale the process.

The key is to start where you are and move forward from there. By carefully evaluating your ability to act on the five capabilities described in this paper, you'll know where you need to go. As you do this, the experiences you deliver to your customers will get better and better, and you'll take them places they never thought they could go.



ADOBE can help.

With Adobe Marketing Cloud, marketers have the power to implement experience-driven commerce in any organization. You'll be empowered to develop audience segments, streamline content creation, eliminate technology and data silos, perform ongoing analytics and anomaly detection, and continuously deliver personalized and relevant content to audiences and individual users. You'll be able to use big data to effectively understand and respond to your customers' behaviors and continuously optimize all digital channels for conversion, sales, and loyalty—engaging them with a cohesive brand experience on whichever screen or location they find you.



Adobe Experience Manager:

Build rich commerce experiences.



E-commerce integration framework:

Connect engaging content and experience to the commerce engine that fits your specific business needs.



Adobe Analytics:

Understand the consumption of content and analyze your conversion funnel.



Adobe Target:

Optimize experiences, content, and products for every customer.



Adobe Audience Manager:

Build audiences you can work with.



Adobe Campaign:

Deliver a contextually rich offer to bring back or convert customers.

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