5 BEST PRACTICES TO ACHIEVE CUSTOMER EXPERIENCE PERSONALIZATION AT SCALE

A GUIDE BY IDC RETAIL INSIGHTS
What is the Future of Commerce?

**Business Model**
- Omnichannel
- Customer-centric
- Isolated touchpoints

**Innovation Approach**
- Platform
- Side-car approach
- Islands of innovation

**Consumer Experiences**
Traffic and conversion are no longer business as usual

From

Guided Selling
Chasers searching for products
Reactive
Touchpoints
Location (Space)
Segments and Personas

To

Contextual discovery experiences
Products finding customers
Proactive customer service
Interfaces & Multiple engagement inputs
Customer moments (Time)
Hyper micro segmentation & Active and passive shoppers

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What is retailers' CX differentiation direction?

- **Static Segments**: 7%
- **Dynamic Segments**: 8%
- **Dynamic Personas**: 45%
- **Hyper-microsegmentation**: 35%
- **Real-Time Contextual**: 5%

**Differentiation Opportunity**
65% eCommerce Platform

54% IoT Platform

49% Omni-Channel Customer Experience

**CX PLATFORM**

**IS THE #1 INNOVATION PRIORITY FOR RETAILERS TO ENABLE INNOVATION PROGRAMS**
And a New CX Architecture is Required...
HOW CAN RETAILERS ACHIEVE CUSTOMER EXPERIENCE PERSONALIZATION AT SCALE?

Top 5 Best Practices and successful use cases...
Tommy Hilfiger's TommyLand Snap:Shop app allows capturing and managing structured and unstructured data to deliver a superior customer experience. Tommy Hilfiger reported a 60% growth in sell-through and 900% increase in digital traffic, with 70% coming from new visitors to their website.
Implement AI foundations to empower customer journey personalization.

In 2016, Domino’s Pizza launched:
- a chatbot app
- an AI camera system
- commercial autonomous delivery vehicle

Domino's estimates annual global digital sales of $4.7 billion
Define new KPIs for measuring customer experience level of maturity.

AutoTrader adopted a data-driven approach based on integrated KPIs. The company saw an increase in the overall customer satisfaction (+5 points) and a 42% improvement of its NPS score.

**AutoTrader** registered a 12% increase in vehicle advertising views and a 7% increase in time spent on site.
Evolve towards micromerchandising strategies that are centered on customer experience strategies.

Sephora adopted a new supply-chain model based on simulations.

The beauty retailer introduced a digital card that consumers receive when they enter the store. Customers can simply scan the perfume tester with near field communication (NFC) and add the product to the digital cart.

Sephora improved total reaction time, the service to the stores and a reduction of safety stocks. Over 60% of Sephora stores are now replenished during the same week.
Leverage in-store experiences and mobile transactions to enhance the customer feedback loop.

TUI:
- launched the "Destination U" prototype in the U.K.
- installed large screens on their storefronts
- at the store entrance, installed interactive maps and table-size touch screens to allow searching on specific information

TUI increased sales by 3 times in over 30 flagship omni-channel stores