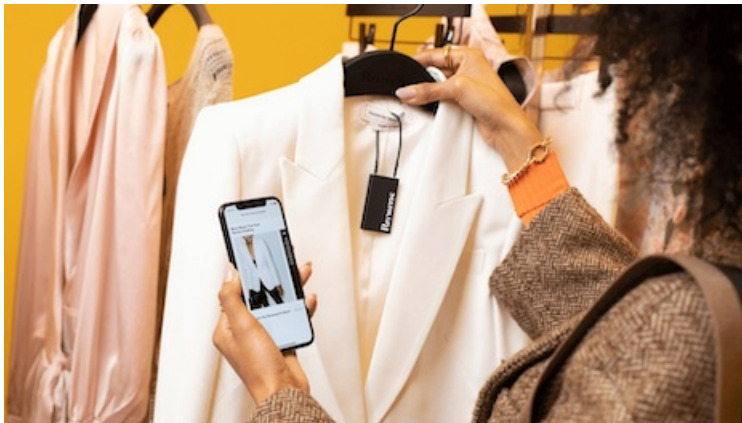


RETAIL

Most retailers slacking on personalization strategies: Adobe

May 13, 2022



Expanding digital services can help brands personalize the in-store experience. Image credit: Farfetch

By SARAH RAMIREZ

Retailers are falling behind on personalization, with 56 percent of global retailers failing to personalize more than half of their shopper journeys.

Subscribe to **Luxury Daily**
Plus: Just released
State of Luxury 2019 **Save \$246 ▶**

According to Adobe's "[The State of Personalization in Retail and Travel](#)" report, North American retailers are leading the way as 52 percent personalize more than half of the shopper journey. With the growth of digital commerce, consumers are increasingly expecting personalization and retailers are working to catch up.

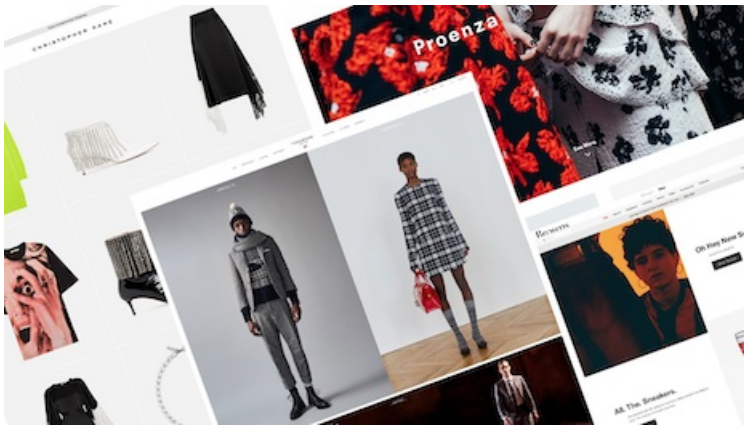
The report is based on an Icisiv survey of more than 300 retail professionals across North America, Europe and Asia Pacific. Three-quarters of respondents were at the director level or above, and more than a third were from companies with more than \$1 billion in revenue.

Respondents hailed from the U.S., Canada, U.K., France, Germany, Australia, New Zealand and India.

Prioritizing personalization

Most retailers are lacking clearly defined personalization strategies and roadmaps.

Only 37 and 36 percent of retailers in North America and Europe have one in place, respectively. Twenty percent of retailers in APAC have defined personalization strategies, excluding China and Japan.



Less than 20 percent of retailers personalize 75 percent or more of the shopper journey. Image credit: Farfetch

Slightly more retailers have the technology to support these strategies, including 44 percent of Western retailers. About one-third of APAC retailers have the technology in place.

In more promising news, more than half of North American retailers have at least one executive responsible for personalization. Again, Europe and APAC trail at 40 and 32 percent, respectively.

Globally, retailers cite the inability to develop a business case or justify ROI around personalization as their biggest challenge.

Retailers in North America and Europe also point to data integration across multiple sources and silos and scaling personalization as challenges. In Asia Pacific, talent availability and technology are obstacles preventing personalization maturity.

Adobe defines high personalization maturity as the ability to personalize at least 75 percent of the shopper journey.

Organizations with lower personalization maturity tend to rely on their technology or IT departments to manage their personalization strategies. Those with higher personalization maturity are more adept at working across departments to scale their work.

Within sectors, only 44 percent of apparel retailers personalize more than half of the shopper journey. General merchandise and specialty retailers, such as home furnishing or electronics brands, lead with 74 and 71 percent, respectively.

Almost half of apparel retailers have a process in place to improve their personalization maturity, and 54 percent have an executive responsible for personalization. These retailers also see "micro-segmentation" as their ideal level of personalization, which can improve conversions from 11 percent to 42 percent.

Apparel brands' leading personalization challenges are developing business cases, integrating data and scaling across challenges. Other personalization obstacles, however, vary across retail formats.



Personalization can boost brand loyalty. Image credit: Gucci

Among the 16 percent of all retailers with high personalization maturity, 31 percent are apparel retailers. More than 80 percent of these organizations have a unified view of personalization, helping them set the standard in this strategy.

To further improve and scale personalization, retailers should also focus on measuring performance, incorporating

feedback and tracking external trends. Frequent A/B testing can help businesses discover new use cases and prioritize the steps of the shopper journey that need personalization.

Value of personalization

Personalization is an increasingly important facet of omnichannel retail, and those that do not invest in it risk being left behind by shoppers.

Although more shoppers are becoming adept at online channels of discovery, less than 20 percent of consumers begin their journeys directly on brand sites because they find them to be lacking relevance according to Coveo's 2022 Relevance Report: Ecommerce.

Brands and retailers are hampered because their owned sites do not offer the convenience, customer history or data-driven recommendations that Amazon or search engines offer. Relatedly, 68 percent of respondents reported they are not often provided personalized or relevant experiences when they are online shopping ([see story](#)).

Loyalty programs can give retailers a boost as part of their personalization strategies.

According to Yotpo's annual State of Brand Loyalty survey, 83 percent of global consumers believe belonging to a loyalty program influences their decision to purchase from a brand again.

About seven in 10 shoppers are willing to share personal information with brands in exchange for loyalty perks such as personalized offers, tailored discounts and exclusive experiences. These details may include emails, names, birthdates, product preferences and specifications ([see story](#)).