

Personalization in retail

How retailers are getting
personal to create
better customer
experiences.



verizon^v
business

Modern shoppers want the personal touch. With the rise of online retail, customers have become accustomed to highly responsive, personalized shopping experiences, with tailored recommendations and offers. Now, whether they're shopping online or in traditional bricks-and-mortar stores, they still want the same levels of customization. This presents a great opportunity for today's retailers. By offering these personal elements across all touchpoints – both on- and offline – retail businesses can engage with shoppers, build brand loyalty and drive sales. But how does it work and what do retailers need to do?

Today's customers want the personal touch.

For today's customers, personalization isn't just a nice-to-have, it's an essential part of their buying journey. Consumers expect retailers to understand what they want, then create individual experiences to help them get it. Indeed, a survey by Gartner shows that 71% of business-to-consumer customers expect brands to be well-informed about their personal information.¹ Similarly, according to Salesforce, two-thirds of customers expect companies to understand their unique needs.² If retailers want to fulfil the demands of modern shoppers, they need to make things personal.

“ **73% of all store visits start online.**³

It can be easier said than done, though. Online retail is becoming more popular than ever, but consumers are hesitant to give up in-store shopping – still enjoying the tangible feel of going into a shop. That means the division between online and offline retail is becoming increasingly blurred. A recent Verizon study shows that 73% of all store visits start online, with customers researching products on their computer or mobile device.³ But they don't always end with an in-store purchase, as the shopper may complete the transaction on their digital device.

The future of offline retail is digital.

At the same time, in-store shopping is becoming more digital, with the use of service terminals, mobile apps and click-and-collect features. And it's something shoppers want to see more of. In fact, 93% of retailers think shoppers will increase the use of mobile devices in stores by 2025.³ That means retailers need to think less in terms of online or offline. Instead, they need to create digitally enhanced omnichannel experiences that give customers the best of both worlds.

By increasing the digital elements, and adding personalization to their customer experiences, businesses can engage with shoppers on a deeper, more meaningful level. Shoppers will come away feeling like the retailer understands them and values their business – so they'll want to buy from that brand again. Similarly, by targeting people with more tailored offers, there's a greater chance the customer will complete the transaction. All of which helps to increase sales and drive profits.



¹ Gartner, 2022, Gartner Survey Reveals 86% of B2B Customers Expect Companies to Be Well-Informed About Their Personal Information During Service Interactions

² Salesforce, 2023, What Are Customer Expectations, and How Have They Changed?

³ Verizon, 2022, 2022 Connected Retail Study: What technologies are retailers deploying?

Retailers are taking a closer look at insights.

Creating an effective retail customer experience starts with data, and there's a wealth of it out there to draw upon. Retailers can access a myriad of insights into their customers from:

- Collected customer data
- Previous search and purchase history
- Website analytics
- Customer feedback
- Sentiment analysis
- Market research

In addition, retailers can access useful data from innovative digital tools like artificial intelligence (AI) chatbots and social listening tools.⁴

Once retail businesses have identified which sources are most useful, they can use a unified customer data management platform to store and interpret the collected information. By analyzing all these data points, retailers can build up a comprehensive view of their customers. It will help them understand everything from what the customer likes and dislikes to what they've purchased before, what they've shown an interest in and what they're likely to buy next.

“ **By analyzing data, retailers can build up a comprehensive view of their customers.** ”

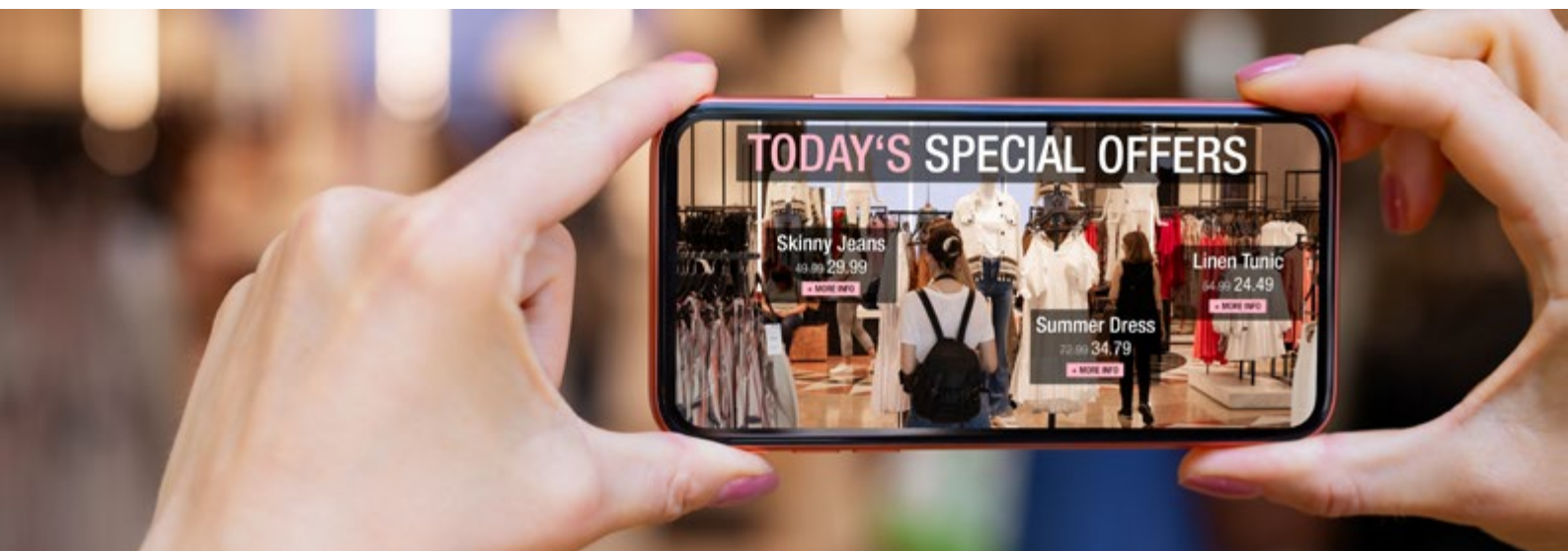
With data collected across different customer touchpoints, retailers can also determine how, when and where shoppers prefer to make their purchases. With this increased understanding, retailers can create truly individualized experiences that engage shoppers and offer up products they're more likely to want. They can also employ techniques like web personalization⁵ and hyper-personalization⁶ to help them deliver the right messages in the right way, at the right time – improving impact and driving conversion.

“ **42% of customers feel positive about receiving personalized ads and product offers.** ”⁷

Retailers need to secure customers' trust.

While the benefits of personalization are clear, retailers do need to demonstrate some caution – especially when it comes to customer data. While shoppers want more customization in their buying journeys, many have expressed concern around the collection and use of personal data. 42% of customers feel positive about receiving personalized ads and product offers.⁷ Despite this, 87% say they're concerned about how their data is used to create these experiences.

Clearly, it's a matter of trust. Customer privacy must be the retailers' watchword. It's important for them to be completely open and honest about where they obtain third-party data, and how they use it in new technologies like AI. And, of course, retailers need to ensure they look after the data they've been trusted with – meeting all regulatory compliance and ensuring data is only used to benefit the customer.⁷



⁴ Verizon, 2023, AI in retail: Helping retail sales reps provide personalized customer experiences

⁵ Mark Stone, 2023, What is digital personalization? Building better CX with web personalization

⁶ Mike Elgan, 2023, Hyper personalization and your customer experience strategy

⁷ Verizon, 2023, A matter of trust

What's good for customers is great for retailers.

Personalization can be a highly effective tool for creating more effective, engaging customer interactions. But it doesn't end there, as it also offers retailers additional benefits in other areas. As well as helping retailers better understand their customers, it can also help customers better understand their own interests and preferences. Once they know more about the specific products and services they want, they're more likely to stick with a retailer if they know they have the ability to provide them. This can help to create a more meaningful, long-lasting relationship between consumers and brands in which retailers can:

- Fulfill the needs of customers more fully and effectively
- Build brand loyalty and drive repeat business



A more personal way to drive sales and profits.

Customization techniques in retail are also a great way for businesses to increase sales and growth rates.⁸ By creating tailored shopping experiences, retailers can drive revenue in four ways:

1. Cross-selling

When retailers know more about customer preferences, they can present deals, offers or products they know the shopper will be interested in. They can also cross-sell other complementary products that the customer might not otherwise have shown an interest in.

2. Increased revenue opportunities

Creating more personal customer experiences, and making customers feel more valued, can help retailers build increased trust and brand loyalty. That means shoppers will come back time after time, and they'll be willing to spend more with that retailer.

3. Boosting order averages

If retailers understand more about their customers, they'll know what they want, when they want it. With that knowledge, they can offer up customized recommendations, deals and targeted marketing that directly appeals to individuals. The result of which is that a customer who may have intended to purchase just one item could end up buying two or three.

4. Reduced returns

Customers who purchase items through a personalized shopping experience are more likely to feel they've bought the right thing. That means the chances of them returning that item decrease. As such, retailers employing these tactics should see the frequency of returned products reduce, saving them time and money.⁹

⁸ BCG, 2023, [Delivering personalized customer experiences is no longer optional](#).

⁹ Meyer Sheik, 2022, [Managing the Impact of Returns With Personalized Retail Experiences](#)

How personalization helps retailers stand out from the crowd.

Personalization is a great way for brands to differentiate themselves from their competitors. By engaging with customers on a personal level, retail companies can create a very unique proposition. It's granular and specific and it creates an exclusive one-on-one bond between brand and consumer. As such, it helps companies really stand out. And it's not something that other retailers can easily replicate.

“ **Personalization creates an exclusive one-on-one bond between brand and consumer.** ”

Brands that use customization are also more likely to spot trends, or changes in customer behavior, before competitors that don't use it. This means they'll be more attuned to what customers want at the right time. And they'll be one step ahead when it comes to creating products, services, special offers and marketing campaigns that delight existing customers and attract new ones.

Why the future of retail needs to be more personal.

Whether they're online or in-store, modern shoppers expect retail experiences that are tailored just for them. In fact, according to Twilio's 2022 State of Personalization Report, two thirds of consumers say a brand could lose their loyalty if they don't offer this kind of customization.¹⁰ Retailers who fail to meet these demands could find themselves falling behind. Customers could see their brand as less appealing than those that do offer the personal touch. As such, their brand loyalty could suffer and their sales and revenues could falter.

However, by offering personalized experiences, retail companies can deepen their relationship with customers,

delighting them and fulfilling their needs – all the while enhancing brand loyalty. They can tailor marketing and merchandising to offer up products customers are more likely to purchase. They can cross-sell, upsell and drive increased revenues, and they can improve their competitive market position and enable growth.

Building personalized retail experiences with Verizon.

Developing personalized retail strategies can seem like a daunting task. You need to implement the right technologies. You have to make sure you're offering the kinds of immersive experiences that people engage with – and which lead them to spend their money with you. You need to have a strong focus on security, to keep customer data safe and help you maintain trust with shoppers. And you need to guarantee you'll get a good return on any investment. That's why you need an experienced partner on your side, who understands smart retail technology and how to get the most out of it. That's why you need Verizon.

Through our Verizon Customer Data Management Platform (CDMP), we can provide you with a holistic view of customer interactions. It helps you build up a better picture of what your customers want, how and where they like to shop, and what kinds of communications will work best for them. Armed with those insights, our AI-powered chatbots, social listening platforms and web personalization tools can help you build the tailored experiences that will engage consumers – and see them spend their money with you.

And that's not all. We'll also help you build the robust, secure digital network infrastructure with high speeds and low latency you need to manage all these new technologies.

When innovation, personalization and expertise combine to make effective, engaging, tailored experiences that drive revenue and brand loyalty, that's not just smarter retail. That's Enterprise Intelligence.

Learn more about how Verizon can help you explore and adopt the technology that's reinventing retail. [Click here](#)

¹⁰ Twilio, 2022, Twilio Report Shows Consumers Want Personalization, But Don't Trust Brands With Their Data

