The New Customer Journey:
A Convergence of Content, Context, Channels and Commerce
# Table of Contents

1. **Foreword**
   by Errol Denger of Adobe
   - Page 4

2. **Chapter 1**
   What is Experience-Driven Commerce?
   - Page 6

3. **Chapter 2**
   Fundamental Trends Driving Experience-Driven Commerce You Can’t Afford to Ignore
   - Page 14

4. **Chapter 3**
   5 Ways Experience-Driven Commerce Will Positively Impact Your Company
   - Page 20

5. **Conclusion**
   Is Your Organization Ready?
   - Page 25

6. **Glossary**
   The Terms You Need To Know
   - Page 27
Regardless of what industry or arena your business operates in, it's a sure bet that your company is grappling with the challenges of continuous innovation. Competitive advantage is quickly eroded as technology evolves and barriers to entry fall away. In fact, almost 98% of the value of innovation ends up in the hands of competitors and imitators.

These trends are placing enormous downward pressure on companies’ existing competitive advantages. What’s needed to combat this is a systematic and continuous approach to innovation. For global brands with a digital presence (which is everyone), this innovation is centered on the customer.

Consumer technology, and in particular exponentially increasing mobile use, has tipped the scales of power in the favor of consumers. Customers know more about products and brands than the actual brands do. Digitally savvy consumers are now at the center of what analysts call the Age of the Customer. Whereas brands once controlled the flow of information about products, consumers are now in charge throughout the customer lifecycle.

With this in mind, how can brands compete and adopt frameworks for continuous innovation with the customer in mind? First, brands need to adopt a methodical approach to innovation. As I detailed on the Adobe blog, brands should carve up their approach to innovation into these phases:
1. **Continuously analyze.** Brands need to adopt tools and methods to measure and act on changes in consumer needs and market forces.

2. **Define problems.** Know what you’re trying to solve. Business challenges are complex, so writing down your business challenges will help you stay focused and on target.

3. **Ideate.** Develop points of view and hypotheses for your ideas.

4. **Prototype.** Brands must embrace software tools to create designs and customer-facing solutions.

5. **Test.** Develop scenarios for testing ideas and designs using real-world environments and data.

6. **Evaluate and refine.** By analyzing the results of your efforts, brands can visualize the advantages of ideas and determine their validity before iterating.

7. **Pivot if necessary.** In the Age of the Consumer, change is the norm. Be prepared to move quickly and pivot on the fly.

With this systematic approach to innovation, brands can formulate a strategy to win new customers and stay competitive in an era dominated by digital. This is at the heart of what we at Adobe call experience-driven commerce.

In conjunction with our partners Elastic Path, we have created this series of ebooks -- The Definitive Guide to Experience Driven Commerce -- to help you get started on the road to innovation. In this first book, you’ll learn what experience-driven commerce is all about, what trends are driving it, and how it will positively impact your organization. In future ebooks, we’ll dive deeper into the specifics of what steps you need to take to build a business case for implementing experience-driven commerce at your organization.

“Experience-driven” means that an organization is brave enough to rethink how they do business. Are you ready?

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Chapter 1

What is Experience-Driven Commerce?
Over the past decade, how businesses sell has undergone a profound shift in almost every way imaginable. In its early days, ecommerce was little more than rows and columns of product images on a website. The best experience an online shopper could hope for was something akin to a product catalog. Times have changed, and it couldn’t be a more exciting time for retailers, publishers, educators, distributors and other industries to embrace experience-driven commerce.

What does it mean to be focused on the experience? And what exactly is experience-driven commerce?

Experience-driven commerce provides customers with personalized, immersive experiences across any channel, any time. Think of it as inviting customers into a visually compelling story that blends, rather than silos, the ecommerce experience.

Browsers are converted into buyers because they choose the context, products, and the pace of the story with their personal preferences and previous interactions with the brand. It’s the new customer journey that combines content and context across multiple channels that ultimately leads to commerce. This approach is something the antiquated catalog storefront of the ’90s just can’t offer, and today’s shoppers expect more. A lot more.

Mobile Technology

Mobile phones and beacons – which are small Bluetooth devices retailers can use in-store to transmit messages or prompts to shoppers’ smartphones — are all the rage as shoppers research and checkout inside a physical store without ever approaching the cash register.

Beacons placed strategically can communicate with a branded app on a shopper’s smartphone. The shopper can received personalized offers in-store based on activities they may have performed online.
Experts estimate that US$4.1-billion of total U.S. sales will be driven by beacon-triggered technology. Mobile devices have essentially erased the notion of “channels.” A website and physical store that were once distinct entities are now one and the same, offering interchangeable and complementary services. For example, customers can place an order online and pick it up at a store, or order from a store kiosk and have the items shipped to their home.

**Wearables and Holograms Will Transform Shopping**

Other mobile devices are having a similar transformative impact on shopping habits. Smartwatches are poised to explode in 2015 with predicted unit sales of 10.8 million as Apple legitimizes the wearable as a digital wallet, making payments super fast and secure. And head-mounted displays such as the Microsoft Hololens, a new high-definition holographic computing platform, have stoked consumer expectations even higher for how shopping experiences might evolve.

**Wearable technology is going to explode in 2015, making payments faster and more secure, and entertaining the demanding shopper with virtual experiences**
Thirsting for an Experience

Even without the futuristic headgear, shoppers today have a thirst for something much more engaging. Consumers expect their shopping to be a full-on “experience,” an immersive, content-rich story that happens seamlessly when they want it, across all touchpoints. They want access to the same experience whether it’s in-store, online through an iPhone or tablet, or at home on a regular desktop PC. This complex digital journey that blends content with commerce — not the catalog website — is at the epicenter of experience-driven commerce.

A typical shopper can start shopping from multiple devices and locations before finally making a purchase. Leading-edge brands will need to understand and take advantage of this new customer journey.

Consumers expect shopping to be a full-on “experience,” an immersive, content rich story. What’s your experience?
Elastic Path Commerce for Adobe Marketing Cloud is the world’s best solution for integrating ecommerce with Adobe Experience Manager (AEM).

It’s a revolutionary product designed specifically to enhance and add value to your Adobe Marketing Cloud investment. Out of the box, it brings robust merchandising, monetization, and customer management directly to Adobe Experience Manager, Adobe Target, Adobe Analytics, and Adobe Campaign – giving you one combined platform to create amazing, transactional customer experiences.
A Treasure Trove of Opportunities

Experience-driven commerce presents tremendous opportunities for marketers, who can capitalize on a treasure-trove of branding innovations beyond the catalog website. Microsites, social media, blogs, lookbooks, and digital magazines are turning interactive, content-sharing events into creative sales opportunities without the usual friction associated with storefront catalog websites.

The New Customer Journey

At its heart, experience-driven commerce is a fusion of digital marketing, content, analytics and data, with commerce and transactions to support the entire customer lifecycle. It’s not just about marketing. Experience-driven commerce is more about emotionally connecting with the customer in a digitally enabled way. It’s not about creating a “big-box” experience for the masses. It’s about using data to assemble commerce experiences for the individual.

For example, by using experience-driven commerce a retailer can deliver contextual experiences that are critical to the visitor at that exact moment of their customer journey, such as product discovery.

The following are several scenarios that illustrate the new customer journey.

Imagine this scenario: A shopper walks into an upscale retail store and begins to casually browse. On the wall hangs a digital screen showing a new pair of boots. As the shopper moves about the store and gets closer to the digital sign, the display quickly changes to show a new handbag — the exact model handbag that our shopper added to her online wish list a day ago. The shopper receives a personalized in-store experience without even knowing it.
This may appear magical to the shopper, but behind the scenes a carefully choreographed ballet of technology is taking place. The shopper’s iPhone app for the store is communicating with the store’s iBeacon array, which in turn signals to the digital signage that this shopper is near. The shopper’s purchase history and preferences allow the signage to be personalized based on context - it knows this shopper already owns the boots, but not the handbag. Further, the color of the handbag shown matches the boots she purchased last month.

In the “store of the future,” a series of carefully choreographed behind-the-scenes events takes place to give the shopper a highly personalized experience. Watch the video here: https://vimeo.com/112736973

In the publishing and education sectors, experience-driven commerce strategies are providing a valuable commerce service to students through digital textbooks and embedded app purchases, while allowing operators to monetize content through revenue share deals with publishers.

Desire2Learn, an innovative learning management company, is using experience-driven commerce to enable students to interact with course documents, e-textbooks and more, whenever and wherever it’s convenient.
McGraw-Hill Education (MHE) had a goal of creating a consistent digital brand and commerce experience across all of its global businesses. It wanted to blend content and commerce functionality so its products were easy to find and purchase, and allow customers to create a single account they could use to manage their overall relationship with MHE.

In the retail sector, experience-driven commerce is driving significantly higher conversion rates while providing an entertaining shopping environment. For example, pure-play retailer eBags.com recently launched its “Obsession” product discovery feature that mimics the dating app Tinder. Shoppers either swipe left to indicate that they like a product image, or right if they do. This gamified approach to shopping provides a sticky environment that keeps shoppers engaged while eBags learns about customer preferences. Already eBags’ Obsession feature has seen its site conversion rate hit 10%, significantly higher than the 1% to 2% for other online retailers.

The impact of experience-driven commerce is even more profound when the experiences cross multiple physical and online channels. Take Disney for example. It’s much lauded MagicBand technology allows customers to enter parks, unlock their hotel rooms, access their meal plans, and pay for retail purchases. Interestingly, many have used the word “magical” to describe both the Disney MagicBand and their early experiences with wrist-worn Apple Pay. The concept is so fast, convenient, and secure that it could be the catalyst that marks the beginning of the end of cash.

In the age of the digitally empowered customer, delivering great digital experiences is an essential strategy and business imperative. Embracing the new customer journey will ensure you remain competitive and are able to monetize the digital experience that you provide to customers.

Chapter 2

Fundamental Trends Driving Experience-Driven Commerce You Can’t Afford to Ignore
There are powerful forces at work influencing how marketers approach this new customer journey. Technology has changed. The age and sophistication of the most influential shoppers has shifted. And physical and digital shopping environments, which have until now coexisted, are now blurred.

Here, we examine the fundamental trends driving the rapid adoption of experience-driven commerce.

The Mobile Mindshift Has Reshaped Basic Human Behavior

With mass use of mobile phones, social media, and fast ubiquitous Internet access, consumers today are more empowered than ever. Take the smartphone, for example. Mobile devices have proliferated across the world at a breakneck pace — there are now more than 6.8 billion mobile phones in use around the world. This mobile phenomenon has given consumers a much wider sphere of influence. They have an expectation that they can get what they want, anytime, in context.

Mobile technology is also reshaping basic human behavior. On average, a smartphone user reaches into their pocket or purse approximately every six minutes to do everything from checking the weather, reading an e-mail or sending a text, to getting directions, discovering new products on Pinterest, complaining about customer service on Twitter, or hailing an Uber driver.
The new reality is that customers often know more about products, services, pricing and reputation than the actual brands do. This has tipped the balance of power in favor of digitally-savvy consumers, ushering in what Forrester Research calls the Age of the Customer.

**What is the Age of the Customer?**

The Age of the Customer, a term coined by Forrester Research, is one in which abundant access to consumer technology — smartphones, Internet access, social media, etc. — has bestowed on consumers new levels of power and control. Whereas brands and corporations once controlled the flow of information about products and services, consumers are now in charge of all interactions throughout the customer lifecycle.
Millennials Will Demand More, Spend More and Engage More

Today’s savvy consumers are also younger and have grown up with social media and mobile devices. They simply don’t know a world without digital conveniences. Millennials are leading this Age of the Customer. They demand accessibility and expediency, and are more influenced by word of mouth and what they see on social networks than by more traditional advertising.

Boston Consulting Group recently wrote, “This generation is ushering in the end of consumer marketing as companies have long known it.”

In 2015, Millennials’ spending power will fall somewhere between US$1-trillion and US$2.45-trillion, depending on who you ask. By 2018, Millennials will have the most spending power of any generation. By 2025, three out of four workers globally will be age 18-34.

All of this is of tremendous value to marketers who can use data and engagement to develop experience-driven commerce strategies for this influential group.
Blurring Lines Between Digital and Physical Worlds

Millennials are also forcing brands to break down the silos that have traditionally separated the digital and physical worlds. They are digital-first customers, accounting for 59 percent of mobile shoppers around the world. In many cases, they are using their mobile devices to research products and prices while in store.

By 2018, Forrester estimates that digital technology will influence in some way almost 60% of all physical store retail transactions, worth US$1.8-trillion. This “influence” could come in many forms: In-store sales associates using iPads to check inventory for customers; digital signage that changes promotions based on preferences and proximity of a shopper; showrooming or “webrooming” where shoppers compare products online or in-store, but buy elsewhere; or simple product reviews.

These trends are why many CMOs and CIOs are focusing more of their budgets on the customer’s digital experience. Leading-edge companies know that experience-driven strategies can help them compete more effectively, particularly for that younger buyer, through customer service and digital experiences rather than on price or operational technology alone.
The Future Is Now: The Technology Already Exists

Marketers no longer have to just dream about integrated marketing solutions that combine content with commerce, because these systems exist today. Best-of-breed platforms are designed to communicate with web content and ecommerce systems seamlessly, creating cross-channel campaigns that deliver immersive shopping experiences.

Marketing and IT face a variety of the same challenges created by rapidly evolving digital demands. The good news is the same technologies that benefit the marketing team also make life easier on an IT team.

Today’s comprehensive marketing and commerce suites give you the ability to quickly personalize, optimize and monetize marketing campaigns across channels without the constant support from IT.

2. ibid
4. ibid
Chapter 3

5 Ways Experience-Driven Commerce Will Positively Impact Your Company
Embracing experience-driven commerce will ultimately make you better equipped to reach and maintain your target customers and better prepared to compete in today’s marketplace.

**Becoming a Customer-Centric Organization Makes You Unforgettable**

When experiences are the focus, the customer is at the center of everything. Traditional barriers between departments no longer exist. Information and technology silos are broken down as marketing, IT, accounting, sales, and other teams across the organization are all committed to building interactive and immersive experiences that customers want.

*Author Maya Angelou said, “At the end of the day people won’t remember what you said or did, they will remember how you made them feel.”*

Creating the emotional connection with customers through recognition, personalization, relevant, and entertaining content will make it easier to engage customers, earn their loyalty, and drive commerce.

**Reduced Technical Debt and Redundant Technology**

For some organizations, breaking down the information silos can be the most challenging part of embracing experience-driven commerce. It can also be, however, the most impactful. Marketing is racing to keep pace with changes in customer behavior and the
evolution of digital channels. IT is racing to keep pace with marketing. Success comes as the two are aligned on strategy and focused on achieving the same business goals.

Embracing experience-driven commerce puts customer data at the center of all decision-making, driving both marketing campaigns and the IT that needs to support them. Companies that are more data driven are 5 percent more productive and 6 percent more profitable than other companies.¹

When marketing and IT share a unified vision, there is a dramatic reduction in technical debt and redundant technologies left by ill-timed campaign launches, misaligned expectations, and lack of collaboration. Together, IT and marketing can use data to build solutions that create the best possible digital experiences for their customers.

CIOs Will Have More Time For Truly Disruptive Technology

The key to solving these problems lies with structuring your organization around the customer. The CIO and CMO play key roles in championing the customer and more and more the two are becoming strategic partners in developing and executing the brand experience.

Typical CIOs spend about 60% of their time managing technical applications and IT infrastructure. However, experience-driven commerce and the Age of the Customer are having a profound impact on their roles. As customer-facing technologies become commonplace and organizations increase their focus on customers, the average CIO is predicted to spend only 25% of their time managing IT applications. The remaining 75% will be spent driving and advocating innovation for the organization. These new-age CIOs will act as unifiers of departments and will eagerly push disruptive technologies across the entire organization, regardless of whether the P&L lies with marketing or IT.
CMOs Will Have More Visibility Into Revenue Generation Activities

The role of the CMO is undergoing its own renaissance. CMOs have always been the masters of brand strategy and customer experience. Now they are being asked to fully understand cutting-edge innovations and technology trends that influence how consumers buy and how businesses sell. With the customer experience driving everything, a CMOs’ role has become equal parts marketing, operations, sales and information technology.

As CMOs embrace data and technology, and collaborate closely with the CIO or IT team, they gain more visibility across the organization. Their cross-functional teams bring new insights and understanding about how to use data and technology to develop digital experiences that drive sales. Given that more than 60 percent of digital experience projects fail, this increased focus will help deliver better digital experiences and more successful revenue-generating activities.
Forrester Research’s Chief Research Officer Cliff Condon wrote recently that the only cure for the competition “is an obsession with customers, driven from the top by the CIO and CMO. These two executives, by their relationship with each other and with the technologies they roll out to connect with customers, will determine the future of business.”

“Experience-driven” means that an organization is brave enough to rethink how online and offline channels are integrated.

Today’s digitally empowered consumers are shopping everywhere — at home, strolling through the park, or while standing in line at the coffee shop. To most retailers, these opportunities represent separate channels (web, mobile, tablet, in-store, wearables) that are often managed by different departments in a company. But customers don’t see “channels” — they only see your brand. This makes having an experience-driven commerce strategy that takes omni-channel retailing into account more important than ever.
Thank you for reading

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The ACMS Assessment is the first tool designed to help business leaders understand all of the key dimensions that lead to success in digital commerce. Unlike ‘one-size-fits-all’ playbooks, it offers unique insights and advice for sixteen very different enterprise types.

Ready to find out how your company ranks? Completing the assessment takes 20-30 minutes.

Download now
Age of the Customer
The Age of the Customer, a phrase coined by Forrester Research, describes an era in which abundant access to consumer technology — smartphones, Internet access, social media, etc. — has given consumers new levels of power and control. Whereas brands and corporations once controlled the flow of information about products and services, consumers are now in charge of all interactions throughout the customer lifecycle.

API
The Application Programming Interface (API) has become increasingly important, and it’s an acronym being heard more often outside of IT circles. Mobile apps, website interfaces, and even everyday objects (la the Internet of Things) are revolutionizing the retail industry. This is creating an unprecedented focus on the API as developers seek to connect these devices and interfaces to create new supporting services and hybrids. Experts call this trend an API-first strategy. Understanding the business benefits of an API-first strategy can help CMOs lower project risk and increase revenue.

Best-of-breed
Best-of-breed is a common strategy among senior IT executives whereby the best specialized software components from multiple vendors are arranged into one cohesive, well-integrated system. The opposite approach is called a “big box” or “single vendor stack” strategy, which uses all software from a single software vendor. Analysts and CIOs prefer a best-of-breed strategy because it enables faster innovation, agile methods, and can help future-proof an organization using a “layered” application strategy.
**Contextual commerce**
Marketers often talk of “pinpoint marketing” where the right message can be delivered to the right person at the right time, with the highest degree of personalization. Rather than the old-school aim of advertising, marketers can use contextual technologies to detect interest and desire of a consumer and use that information to grab attention and capture action. Here’s how the book Age of Context defines context: “Context is about how we relate to everything around us. It has to do with what we take in with our five senses: sight, hearing, touch, taste, and smell, and how what we perceive with them affects the situations we find ourselves in. It influences the choices we make, based on what’s going on around us and what we expect or want to do next.”

**Customer lifecycle**
In marketing, customer lifecycle describes the progression that a customer goes through when discovering, researching, purchasing, using, and maintaining loyalty to a brand or service.

**Experience-driven commerce**
Experience-driven commerce is a fusion of digital marketing, content, analytics and data, with commerce and transactions to support the entire customer lifecycle. It is emotionally connecting with the customer in a digitally enabled way.

**iBeacon**
iBeacon is the brand name for Apple’s version of the Bluetooth-based beacon concept. Beacons allow Bluetooth devices to broadcast and receive information within short distances. A beacon usually consists of two parts: A broadcaster (beacon device) and a receiver (smartphone app). For retailers, iBeacons enable contextual modes of interacting with customers.

**Customer journey**
Similar to customer lifecycle, the customer journey is the total sum of experiences that a customer goes through when interacting with a brand or retailer.
Mobile mind shift
Coined by Forrester Research in the book “The Mobile Mindshift,” this phrase refers to a world where the new battleground for customers is the mobile moment. The authors posit that the mobile phenomenon has created a sort of Pavlovian response in mobile users — the expectation that I can get what I want, anytime, in my immediate context.

Omni-channel
This is one of the most popular buzzwords in the retail industry. An omni-channel strategy or omni-channel experience is one in which there is an interconnectedness between every touchpoint from the perspective of the consumer. What distinguishes the omni-channel customer experience from the multi-channel customer experience is the true integration between channels on the backend.

Organizational silo
A silo refers to the real or imaginary divisions within a company that hamper digital innovation. Historically, the dominant approach to digital transformation has been for companies to create a “digital” team separate from stores, branches, marketing, or operations. Often, these silos extend to the executive C-level. Case in point: CIOs have always managed the technology while CMOs are in charge of branding and market messaging. With experience-driven commerce, that’s no longer the case. Technology trends are influencing both how consumers buy and how businesses sell. As a result, silos must be broken down. Organizations must undergo shifts in their structures to align themselves with how customers act in a new world obsessed with digital experiences. In some cases, this may involve a full reorganization while in others merely defining new roles and accountabilities.
Personalization
Providing a unique experience to each customer based on his or her wants and needs. Product recommendation engines do a decent job of personalizing a user’s experience, but stand-alone, they only leverage on-site context (profile, clickstream and purchase data), often within a single or a handful of visits (until the customer clears cookies or changes devices, for example). Today’s marketers have access to much more contextual information and should seek to combine personalization with contextual strategies.

Single view of the customer
A single view of the customer allows businesses to envision a complete customer profile regardless of how that customer chooses to interact with a brand. Most often, organizations struggle with obtaining a single view because they do not have supporting data strategies in place. Other barriers to a single view of the customer include a siloed organization and lack of an API strategy.

Technical debt
Often heard among IT departments, technical debt is a term being heard more often among marketing teams. Technical debt (also known as code debt) is a metaphor referring to the eventual consequences of poor application design, software architecture, or software development. Often, IT departments are forced to adopt technical debt from other teams (including marketing) as non-technical managers outsource projects that IT is unable to work on but must later take ownership of.

Touchpoint
A touchpoint is the entryway for how customers connect with a brand or retailer. For example, a customer may use an iPad tablet for browsing products from home, or a smartphone for completing a transaction. In each of these cases, the iPad and the smartphone are the actual “touchpoints.”
Elastic Path provides digital commerce software that helps the world’s biggest brands generate billions in revenue. Our patent-pending technology seamlessly brings omnichannel commerce into content management platforms, allowing businesses to deliver complete, consistent digital experiences that maximize engagement and conversion. Elastic Path serves more than 200 customers worldwide, including McGraw-Hill Education, Virgin Media, LVMH, Western Union, TeliaSonera, Garmin, and Kiabi.