Experience design optimization.

Where personalization goes to grow up.
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The intersection of data and design.

How do our customers interact with us today?

Abigail is waiting for her bus to arrive. Like so many other people in the world today, she turns to her mobile device to make use of a few spare minutes. She calls her boss, checks her social feeds and reads her emails—all while trying to stay out of the way of fast-moving cars and pedestrians.

Meanwhile, we as marketers are trying to get her to meet our objectives: we’re asking her to click on ads, sign up for newsletters, open our apps or complete other actions.

Not only do Abigail’s goals compete with ours for her attention, but as an added challenge, research now tells us we only have eight seconds to wow her before we lose her interest.1 In order to win her over and turn her into a loyal customer, we must design and deliver personal experiences that she finds immediately relevant and engaging—and in the long run, encourage her to continue clicking on our content.

As marketers, we’ve been using personalization tactics since the early days of the Internet. Like when Yahoo started allowing users to customize their own Yahoo pages in the 1990s, or when Amazon rolled out their renowned recommendation engine in the 2000s. But as customer expectations are now evolving alongside digital capabilities and channels, personalization is becoming less about simple product and service assortments and more about our ability to create the right experience for each customer.

This change in direction requires us to think much more broadly about how we can use personalization to enhance the holistic customer experience. By 2020, brands adopting the technology and strategies to enable personalized experience design will gain a sustainable competitive advantage over brands that don’t.

When we first set out to design a new, personalized experience—like a new app or website, or even a purchase flow, for example—we might first think of the images, headlines or layouts that will resonate with our customers and influence them to take action. But while aesthetics are essential to creating the right experience—and in fact account for the emotion that drives 50% of brand loyalty2—it’s just as important to think of design in terms of how customers interact with our brands, through looking, typing, clicking, touching, speaking or swiping.3 The right experience designs will be emotionally inspiring, but also easy and enjoyable for each individual customer to use.

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In order to deliver this level of personalization, we need to use different tools to understand what motivates our customers than the standard A/B testing that many of us are using now.

Because today’s customers are constantly moving among screens, channels and devices, understanding how they experience the brand as a whole takes a deeper level of customer intelligence. We need the ability to harness all the data we can collect companywide and turn it into actionable insights that inform customer-centric experience design.

In other words, our data and design must intersect in meaningful ways in order for us to create personalized experiences that drive engagement and revenue.

The data and design relationship is essential to delivering the right experience for each of our customers. Only by listening to what our data tells us, can we understand what they think, how they feel and how we can use design to inspire them to take action.3 The good news is that, with integrated data systems, those of us who have already invested in technology to optimize and personalize incrementally can use the same solutions to optimize and personalize the entire customer experience.

The following pages discuss the importance of using data to design the holistic customer experiences that are becoming major differentiators of successful brands.

“Now more than ever, businesses need an effective framework for design that will help them keep a finger on the pulse of their customers, experiment with evolving business models and innovate, drawing on the core set of interdisciplinary skills within their companies.

They must marry the art of creating designs that meet customers’ needs effectively, with the science of business, objectively evaluating those designs using data and experimental techniques.”

- Michael Krypel
Author, Refining Design for Business: Using Analytics, Marketing, and Technology to Inform Customer-Centric Design
The personalized customer experience imperative.

In the year 2020, what will customers expect from brand experiences?

Let’s say you find yourself feeling under the weather. As an average member of our constantly connected society, you turn to the Internet to find a clinic that will set you up with an appointment on short notice. But your search results in an overwhelming number of physicians’ listings.

After clicking on a health care provider’s website you recognize, you see a banner ad featuring a woman lying listlessly on her living room couch, a doctor kneeling beside her and checking her temperature. The ad urges you to download a health app that will put you in touch with a local doctor fast. The doctor calls you within minutes, asks a series of symptomatic questions, provides you with a diagnosis and sends a nurse to your home with a prescription. You start to feel better soon, without ever changing out of your slippers.

This is not the future. These kinds of experiences are being delivered now, by brands that can see what the future holds. They understand that if they don’t create experiences that meet the ever-growing expectations of their customers, they will lose those customers to brands that can.3

In five years, this level of personalization will be the new normal, especially for younger generations, who are used to relying on technology to solve many of their problems—wherever, whenever and however they want.3

“Companies that learn to leverage personalization find it easier to acquire customers with appealing value propositions, engaging customer experiences and faster conversions.”

- Russell Lewis
Consulting Manager,
Adobe
As research continues to point to the value of personalization, many brands are reinventing themselves as customer-centric organizations and announcing their intention to deliver exceptional experiences. Yet there remains a clear gap between what customers want right now and what brands are delivering.

A recent Accenture web survey found that 60% of customers want to receive real-time offers in stores, and 59% would like offers delivered while they are considering products online. But polling by Econsultancy, in association with Adobe, shows that only 5% of marketers are using technology to personalize extensively, and 29% say they aren’t practicing personalization of any kind. And of the customers who are receiving personalized experiences, 70% call it superficial, while 63% say it is not compelling, but annoying.

Superficial personalization often results in generic, one-size-fits-all engagement that ultimately alienates customers and damages the brand’s image, especially when the brand touts itself as being customer-centric.

The fact that so many marketers are not doing personalization well, even in standard online and mobile channels, highlights a huge opportunity for organizations to start now and gain a competitive edge in customer acquisition and loyalty.

But given rapid adoption rates of new technologies like wearables and smart objects, it’s now critical for brands to implement experience design strategies that will attract new customers and ensure the retention of valuable existing customers. According to Bain & Company, increasing customer retention by just 5% can lift revenue by 40% or more. As the Internet of Things evolves, it will become increasingly important to know what customers are thinking and feeling, so that brands can respond to their ever-changing expectations.

“The personalized experience gap.”

According to Bain & Company, increasing customer retention by just 5% can lift revenue by 40% or more. As the Internet of Things evolves, it will become increasingly important to know what customers are thinking and feeling, so that brands can respond to their ever-changing expectations.

63% feel personalization efforts are useless, and feel bombarded with emails.

60% of customers want real-time and in-store offers.
5% of marketers say they are personalizing extensively.
70% of customers receiving personalization today see it as superficial.
59% would like to receive online promotions while they consider products.
29% aren’t practicing personalization of any kind.
63% feel personalization efforts are useless, and feel bombarded with emails.

“Personalization is not just about marketing promotions. There’s obviously value to sending coupons or offers that are related to someone’s interest, but it’s much broader than that.

It’s also about enabling people to better use the products or services you already have so that they want to continue to use them.”

- Loni Stark
Sr. Director of Strategy and Product Marketing, Adobe
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Personalization in the Internet of Things era signifies uncharted territory for many brands, but those who implement customer intelligence technologies to inform experience design can gain and sustain a competitive advantage.

Companies that are personalizing web experiences and are able to quantify improvement of their online sales or key website metrics are seeing, on average, a 19% uplift in sales.1

Right and wrong ways to deliver personalization.

**Personalization is only valuable when it’s an option.**

Customers need to feel good about the decisions they make. Personalizing experiences can help them be more confident in their decision-making, but they want to feel like they are in control of their choices. Your role, as a customer sees it, is to make the decision easier—not to lead the journey.2

**Just because you can doesn’t mean you should.**

Put yourself in the position of your customer. If you were traveling through your city and received a push notification from every restaurant or retail store, you might get annoyed or overwhelmed. Have discretion, and let your data dictate the timing and content of the experiences your customers consider most relevant.10

**With a great brand comes great responsibility.**

As digital becomes ubiquitous, customer privacy is an issue brands are more and more concerned with. Make sure your customers understand that your only objective in collecting data from them is to make their experience better. You can’t deliver any meaningful personalization without it. Earning that trust will help brands revolutionize entire industries.11

“It’s ridiculous that if you’ve just purchased a certain brand of car, the very next day you receive advertising in reference to purchasing that brand of car. It should never happen. Touchpoints should be linked, dynamically creative and data-driven so that each touchpoint is iterative in its understanding of YOU.”

- Loren Grossman

CXO,

Annalect

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How can brands ensure they are designing the best experiences?  

Michael is on his desktop at work, taking a break and considering stopping by his local home improvement store on the way home to pick up supplies for a weekend project. After logging into the retailer’s website, he searches for the items he needs and adds them to his online shopping list. When he arrives at the store later that evening, he opens the retailer’s mobile site on his smartphone to access the list. To his frustration, the list is empty, with no explanation. Michael has no idea what happened, but he’ll be less likely to trust digital experiences the retailer offers him in the future. 

Unfortunately, Michael’s experience is an all too common occurrence. A recent Forrester report measured the ability of top U.S. retailers to unite the customer experience across touchpoints, and even the highest-scoring retailer received just a mediocre rating. 

To be sure, designing a personalized, seamless experience across the customer journey is difficult. Many companies only have the ability to optimize pieces of an experience: for instance, a home page, a banner ad, an image, a price, a form or an offer. And many marketers, even within the same organization, are using different marketing platforms, resulting in multiple personas for the same customer and the delivery of competing offers in different channels. And because many companies organize their departments by function—like web analytics, mobile or social—each team is motivated by a different set of KPIs. Although an organization’s initiatives might be intended to be customer-centric, in reality disconnected departments, touchpoints and customer data ultimately lead to a fragmented experience.

Unite your data to get a complete understanding of your customer.

Only by bringing different departments together to share data can you design an end-to-end customer experience.

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Personalized Customer Experience Design
Organizational alignment is the first step toward reconnecting the customer experience, which is a top-down proposition. C-level leadership must establish and educate customer experience teams—possibly including professional customer experience experts—that will unite the organization to work toward one, consumer-centric company mission and devise KPIs that reflect the goals of the customer. However, finding the right people to take charge of experience design can be challenging. They must be data-driven, creative and open-minded problem solvers with the ability to resolve both visual and auditory challenges. They should have the professional dexterity to inspire stakeholders to invest in technology and development, while motivating business units to accomplish the organization’s vision. People who seem to demonstrate this specific skillset come from disciplines at the intersection of design, marketing, technology and data. They excel in business, but also in liberal arts fields such as art history, literature, architecture or psychology.

Leaders must also embrace optimization technology that centralizes the organization’s data to form a holistic view of the customer. As the Internet of Things expands, the resulting scads of data will allow brands to see more clearly into the lives of their customers than ever before. Brands stand to benefit greatly from this insight, as it will allow them to foster much stronger consumer-brand relationships.

But capturing that opportunity will require marketers to think much more broadly about experience design. Even brands that are comfortable now with capturing, analyzing and taking action on data can’t envision what the process will be like in just a few years, because even now, the Internet of Things landscape is creating new data streams that marketers have never seen before. Understanding this data in order to design the right customer experiences is the challenge that lies ahead.

Technology exists today that will support the next wave of data growth, as well as the customer’s growing expectation of better and more relevant personalization. Current content management systems allow domain experts to easily modify assets to fit the channels, screens and touchpoints customers prefer—without having to wait for IT or development teams. Having a simple way to author experiences is crucial as the number of experiences that need to be optimized rises. And integrating analytics, content management, and testing and optimization tools with automation capabilities will make it easier for marketers to create and scale personalized experiences as target audiences adopt new technologies.

“As the level of personalization goes up, the number of assets goes up. Organizations need to be able to manage their assets to make sure there is continuity across devices and touchpoints, especially if they are global enterprises trying to manage local markets.”

- Loni Stark
Sr. Director of Strategy and Product Marketing, Adobe
As it stands now, however, many marketing budgets don’t support personalized experience design. Organizations are simply not investing in the resources, technology, support or strategy. This may be due in large part to the upfront expense it takes to restructure and integrate solutions. Many companies may feel like they aren’t prepared to make the investment or drive the necessary process changes.

But as content marketing platforms mature, adding capabilities that support more marketing initiatives, it’s easier to present the argument to decision-makers that a technology investment made today will yield a higher return over the long term than solutions of the past.

Companies investing in experience design technologies today are setting themselves up to become competitive leaders in the next evolution of marketing. Those born using third-party platform solutions, like cloud, mobile, social and big data, are starting out designing the right customer experiences from day one. And some legacy companies are starting to make incremental improvements by bringing their channels and technology together.

Brands that don’t implement agile and efficient technologies for designing and delivering personalized experiences to scale will fall behind.

“It’s important to understand that the degree of personalization you can achieve for your consumers is entirely dependent on the types of data available to you and your marketing tools.

However, you don’t need “big data” to do personalization effectively—even minimal data sets give us signals and can reveal clear patterns marketers can exploit.”

- Kevin Lindsay
Director of Product Marketing, Adobe
How can you deliver personal experiences to every customer?

Lisa is an avid runner who lives in a rural area in Indiana. Logging 10 miles per week, as well as any 5k she can fit into her busy schedule, Lisa is always on the lookout for durable, comfortable shoes. Across the country in California, Kelsey takes a different approach to her fitness. She needs mats, blocks and flexible clothing to move through her daily sun salutations at a local yoga studio.

Despite the differences in their active lifestyles, both women shop at the same national fitness retailer. Knowing just these few details, the retailer’s marketers target each woman with ads specific to their areas and activities of choice. But by digging a little deeper into customer data, marketers can find details about each woman that they could use to greatly increase their conversion rates.

For example, Lisa prefers to receive brand communications through email, and clicks through more consistently when they feature images of female runners that match her physique. Kelsey responds better to ads she receives in social channels, especially when they include images of yogis in position.

Both women are considered high-value customers, but Lisa consistently buys a new pair of running shoes every two months, and spends about $100. Kelsey shops less often, about four times a year, but spends $200 to $300 at each purchase.

The list of ways marketers can categorize these two customers through demographic and behavioral data is endless. And Lisa and Kelsey are only two examples of the retailer’s wide customer base that reaches into the millions. But by integrating the right technology and then following the five-step process outlined on the next page, marketers can scale their efforts to design and deliver personalized experiences to each individual customer’s needs.
The process of experience design optimization.

1. **Develop a customer journey map.**
   Bring all customer data from throughout your organization into one place, and then learn how your customers interact and respond at different touchpoints to discover their needs. Identify high-volume spots, any roadblocks and key customer segments for whom optimization could really make a difference. Gather qualitative data through focus groups, surveys or from speaking directly with your customers to find out how they feel about interacting with your brand. Use that insight to develop segments and to map out the journey.

2. **Prototype an experience.**
   Design and deliver a customer experience informed by the new customer journey map. Don’t try to engineer every interaction all at once. Know where your customers are in the journey, and prioritize your goals to interact with them at the touchpoints that will make the greatest emotional impact. Depending on the scope of the design, organize the rollout to first address the areas where high-value customers are experiencing issues. This will bring the biggest return for your efforts.

3. **Analyze and revise your prototype.**
   Use data to learn how customers respond to the design. Again, use key informant interviews or focus groups to get qualitative feedback, and ask customer services, sales and support teams for input provided by customers about their experiences. Find areas that need adjustment and make the appropriate changes.

4. **Roll out and perform ongoing optimization.**
   Deliver a revised experience, modified to meet your customers’ needs and expectations. Continue to monitor how customers are responding to your experience design through direct feedback, social comments and reviews. Also, measure the impact of all experiences, and identify data anomalies, low conversion rates, comments and reviews, abandoned carts statistics, video completions, repeat visits and other metrics that will help you make improvements.

5. **Automate engagement.**
   Scaling experience designs to reach each and every one of your customers across channels and devices is impossible without automation. Use technology to make the process mostly hands-off, and to scale your marketing to reach every customer with personalized content and experiences.

“Focus on the customer journey and find where you can make an impact now—where you can enter with the least degree of friction. Then evolve your automation. Make sure you leverage the tools at your disposal to make your job easier. To profit from personalization, discover how you can scale your data and your content with technology.”

- Russell Lewis
  Consulting Manager,
  Adobe
How are top brands using data to design meaningful customer experiences?

At this year’s Adobe Summit, top brands came together to share their customer experience strategies, offering tactics and techniques with marketers from brands across the U.S. What follows are just a few of the inspirational ways that globally recognized industry leaders Under Armour, T-Mobile and Condé Nast are using data and design to deliver seamless cross-channel customer experiences that drive customer loyalty.

Under Armour

In 2014, fitness apparel company Under Armour made over $3 billion in sales to customers all over the world. Their company mission is simply to make all athletes better. Over the last year, in service of that mission, they spent $700 million acquiring the popular apps MapMyRide, MyFitnessPal and Endomondo, combining them to create a new app: UA Record. Now, with a global user base of 120 million, Under Armour has the world’s largest connected platform for listening to and learning from consumers, which gives them insights that no other fitness company has ever had before.

They learned that 85 million of their app users are under the age of 40 and 75 million are women. Forty-two percent of users are outside the U.S., and only 9% of those have purchased Under Armour products. For many international users, UA Record is their first introduction to the Under Armour brand. As of January 2015, their collective user base had logged 100 million workouts.¹⁰

“That gives us enormous insight,” said Jody Giles, SVP of product integration. “We can listen and see how people are working out. We had 300,000 people log their runs wearing our shoes. Runners will go online and say that they are wearing the latest Under Armour shoe. From that we can learn on average, in America, that they run 3.1 miles. That makes us want to engineer a shoe that is specific to them.”

T-Mobile

Wireless communications carrier T-Mobile famously rebranded itself as the “un-carrier” when they separated the cost of monthly service plans from devices in 2013. When market research showed T-Mobile marketers that mobile customers weren’t happy about entering into contracts just to get a free or reduced-price phone, T-Mobile changed their offering.

Examples of industry leadership.
The new offering would succeed only if customers understood that without the guarantee of revenue that a two-year contract brings, T-Mobile couldn’t afford to waive the cost of their devices.

They started by giving their customers two options: pay $579, the entire cost of the device up front, or pay a $99 down payment coupled with a $20 monthly payment until the device was paid off. At first, a large number of customers started abandoning online purchases, and the conversion rate plummeted. T-Mobile hypothesized that the design was confusing to customers, and that it did not clearly communicate to customers that they were being asked to make a choice between the two payment options.

They redesigned the experience to more clearly separate the payment options, but marketers were skeptical about the approach. They felt that highlighting the $579 price tag would scare customers away. But testing found the opposite was true. T-Mobile data analysts found that the more transparency they displayed, the faster the customers were making decisions. The change in design brought a 16% lift in conversion and a 56% lift in average order value.3

“We need to have faith in our customers so that we can have better conversations.”

- Ryan Pizzuto
Manager of Web Testing and Optimization, T-Mobile

Condé Nast

Over the last decade, 100-year-old publishing company Condé Nast has been challenged with adjusting their business model to bring their well-established print publications—like The New Yorker, Vanity Fair, Vogue and more—into the hands of a growing audience of digital readers.

With a strong editorial culture honed over an entire century, Condé Nast’s editors-in-chief prided themselves on their ability to understand their customers’ interests and curate experiences with content that would drive magazine subscription rates.

But as digital evolution continually forced the company to change their offerings—from a print-only subscription to one that includes access to articles on the web, mobile and through social media—reaching and influencing their audiences became an increasingly complex goal. Condé Nast responded to this challenge by forming digital intelligence teams to conduct analytics and audience development.

To drive engagement, Condé Nast’s online magazines use a recommendation engine that leads readers to click from one article to the next. Originally, an editor would manually curate these recommendation experiences, spending many hours determining how to pair articles that contained similar topics and interests. The challenge for the newly appointed digital intelligence teams was to prove to editors that automating this process with technology would not only save them valuable time and resources, but also allow them to target segments on a much deeper level. Testing automation on TeenVogue.com showed a 26% increase in page views, and convinced editors to abandon manual recommendation practices.

“We save the editors a lot of time,” says Daniel Stubbs, Executive Director of Digital Intelligence. “There will always be a human element to whatever we do, but leveraging this technology makes [their jobs] easier.”
Digital moves fast. By 2020, 25 billion “things” in the Internet of Things will be in use by customers globally— that’s four for every man, woman and child on Earth—with 57,000 devices connecting to the Internet every second. In that kind of hyper-connected world, your ability to use data to design customer experiences will determine your success in the next era of marketing. Companies that dive into personalization and optimization technology today will be much leaner and more nimble, and will eat the market share of companies whose personalization efforts don’t go deep enough to build meaningful relationships.

To start using data and design to create and refine personalized experiences that will differentiate your brand, begin with the following four steps:

1. Audit your current capabilities. To understand how successfully your organization currently delivers personalized customer experiences, start with an assessment of the key journeys your brand delivers that target your primary customers. Ask internal stakeholders from customer services, sales and support for feedback, provided by customers about their experiences. Use analytics to gain insight into untapped opportunities, problems customers may be having or to detect anomalies that require investigation. Additionally, consider hiring an industry analyst firm or consulting agency to conduct a full-scale customer experience audit. Benchmark the results you find against your industry and the competition.

2. Set new goals. Use your audit results to determine weaknesses and find opportunities to improve. Understand that optimizing for every customer journey or every persona in the beginning is unreasonable. First, prioritize the development and optimization of your experience designs where your largest audience is feeling the most pain. Typically this will be the point of the journey where the most emotion is present— during a purchase or customer service or renewal event, to name a few examples.

3. Enlist organizational support. Identify the key teams, resources and milestones that will be needed to optimize your experience designs. Typically, any optimization effort will require the participation of multiple departments and teams. And if the effort requires a major revamp of your organization’s current experience design processes, executive support should be enlisted early.

4. Start optimizing your experience designs. Review the steps, concepts and examples in this guide to help you manage your experience design project. Again, don’t try to fix or improve every experience for every persona at once. Start with projects that require investments in technology, data or processes that can be reused to optimize several of your brand’s experience designs. This way, your first efforts will streamline the development and implementation of future projects.

It took 14 years for 1 billion users to adopt smartphones. It will only take three more years to attract 1 billion more.

Your ability to design meaningful, personalized experiences to scale will determine your strength as a company, as well as the future of your business.

To learn more about how you can act on the right data to transform your marketing, visit us online.
Adobe Marketing Cloud empowers companies to use big data to effectively reach and engage customers and prospects with highly personalized marketing content across devices and digital touchpoints. Eight tightly integrated solutions offer marketers a complete set of marketing technologies that focus on analytics, web and app experience management, testing and targeting, advertising, audience management, video, social engagement and campaign orchestration.

The tie-in with Adobe Creative Cloud makes it easy to quickly activate creative assets across all marketing channels. Thousands of brands worldwide including two-thirds of Fortune 50 companies rely on Adobe Marketing Cloud with over 304 trillion transactions a year.