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# Digital Experience Trends to Watch in 2024

Adobe Medallia

# Today's Presenters

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# Session Contents

- Introductions
- Trend #1: Customer experience as buying criteria
- Trend #2: Digital as a key part of every shopping experience
- Trend #3: Using digital to capture younger buyers

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Cross-channel view of **all digital interactions** by **combining behavioral and feedback signals** to deliver great customer experiences

**KEY BUSINESS OUTCOMES:**
**INCREASE ACQUISITION, CONVERSION, & REPEAT ENGAGEMENT**

## Trend #1:
## Customer experience as buying criteria

## Insight #1:

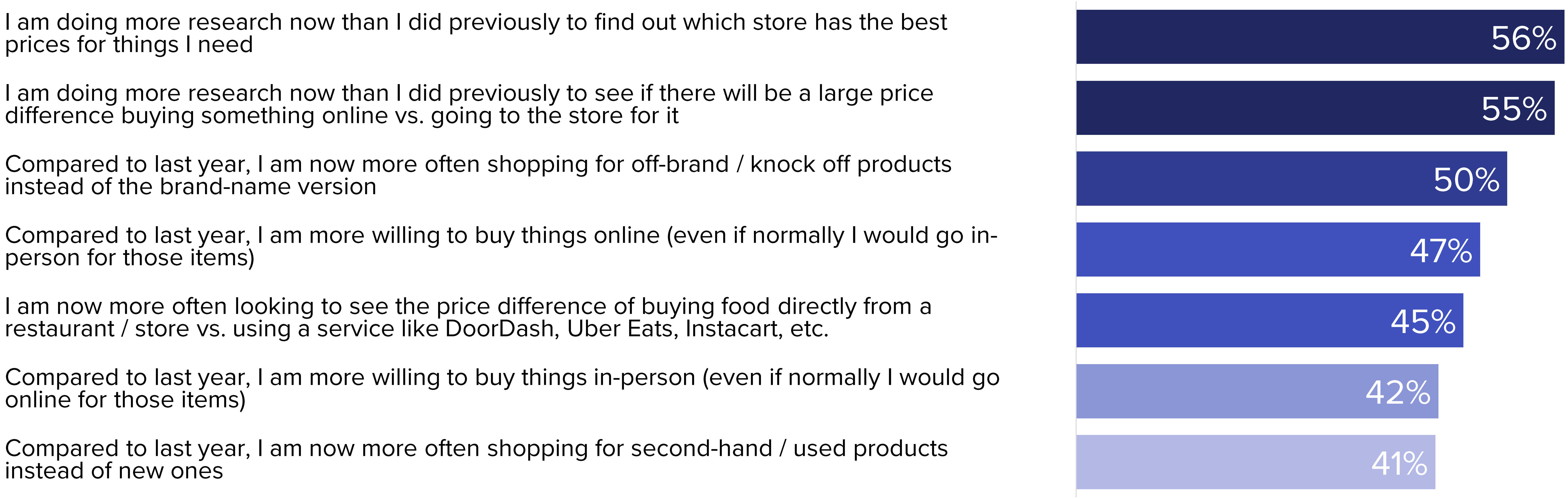
Economic challenges means CX matters more than ever

# Adaptation to inflation has driven a variety of shopper behaviors

Large proportions are turning to more substitutes and more price research.

## % Agreeing with 2023 shopping behavior changes

For each of the following, select the choice that best represents your feelings; % selecting 4-5 on a 1-5 agreement scale.

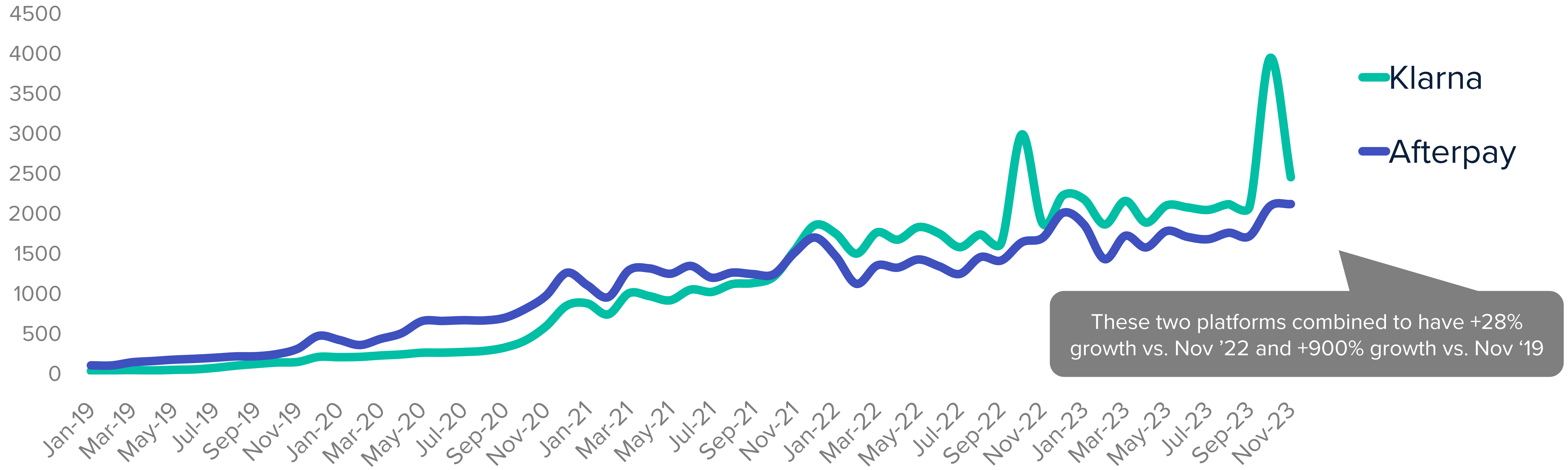


# Buy Now, Pay Later continues to grow in use, though not at its astronomical pace in ’20-’21

Leading platforms like Klarna and Afterpay still are holding on to a more than 9x growth level vs. four years ago.

## Spend on select BNPL Platforms

Indexed Sales by Quarter (100 = On par with Afterpay in Jan 2019)





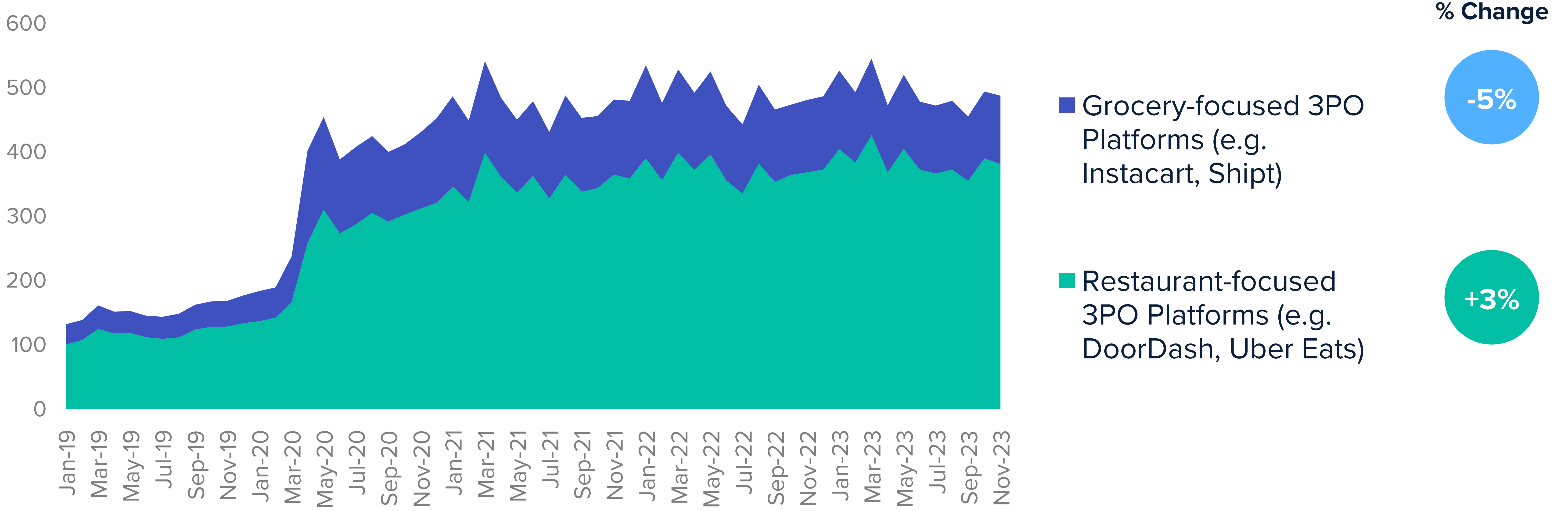

 

# Food ordering is still holding steady despite consumers saying they're cutting back

Total spend on 3rd parties is close its highest levels ever (even including pandemic heights).  Restaurant-focused platforms are faring better than grocery ones.

## Spend on Food / Bev 3rd Party Ordering Platforms

Indexed Sales by Quarter (100 = On par with restaurant-focused platforms in Jan 2019)




Medallia Adobe Based on Sense360 Credit / Debit Transaction Panel of 5M+ US Consumers

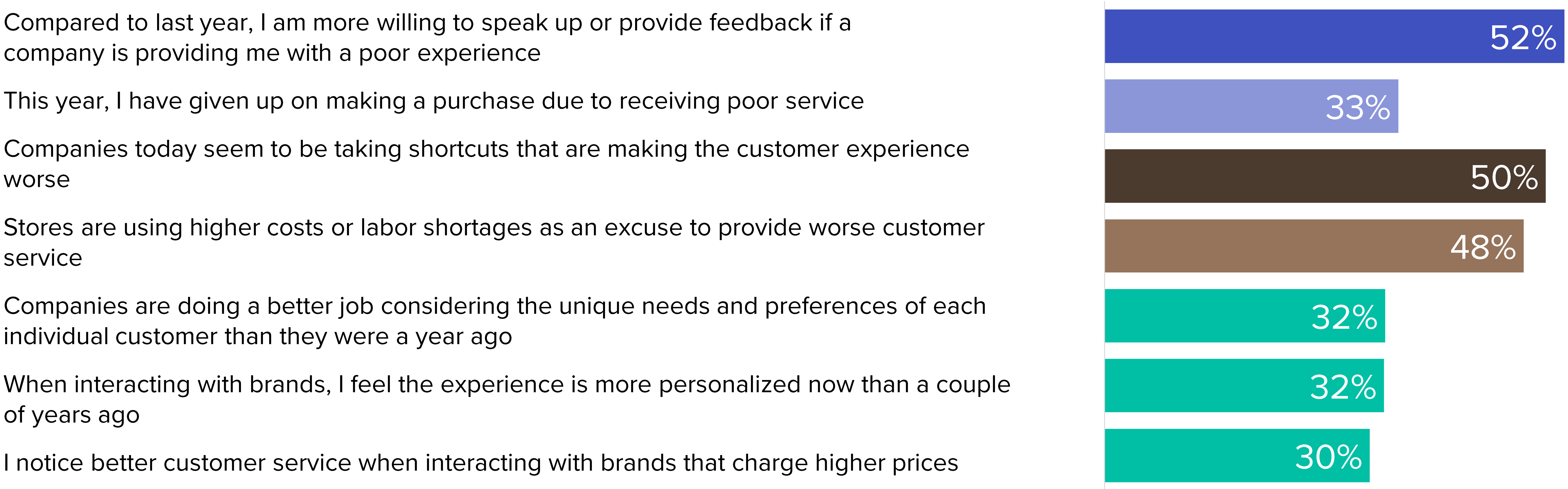
 

# Brands don’t get a free pass on eroding customer experience

Larger proportions of shoppers have had skeptical or disappointed views on how brands have been treating them recently (and only a third having positive views).

## % Agreement: the current state of the shopping experience

For each of the following, select the choice that best represents your feelings; % selecting 4-5 on a 1-5 agreement scale.

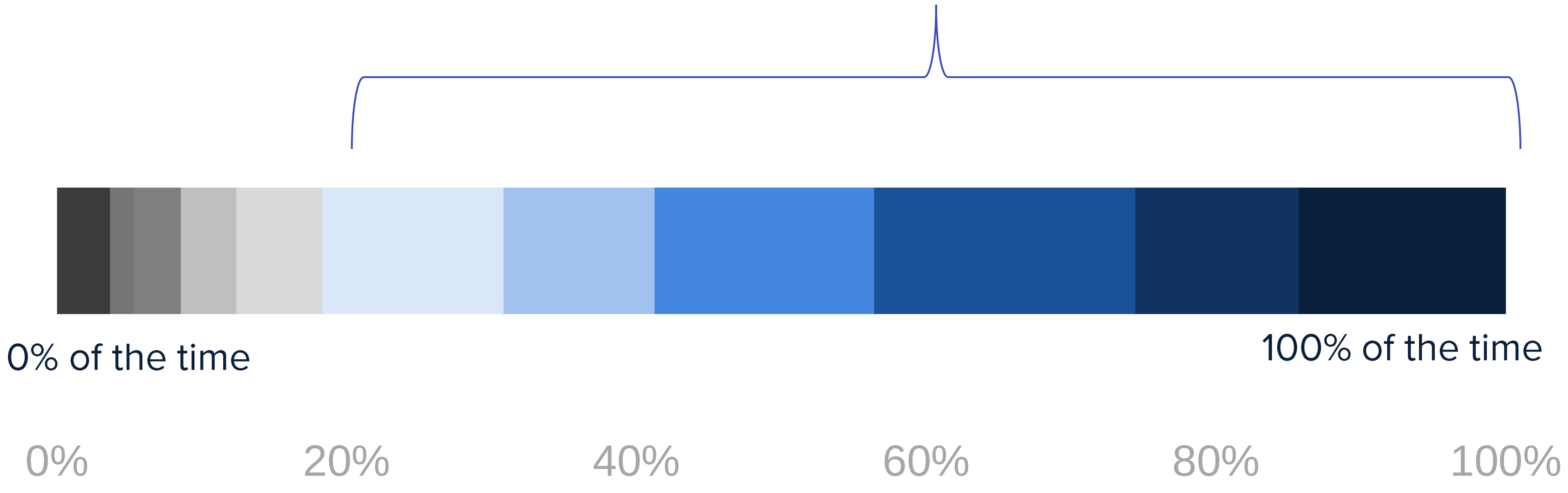


## Insight #2:
Personalization is a key differentiator — both on and offline

# Consumers often choose brands based on personalization

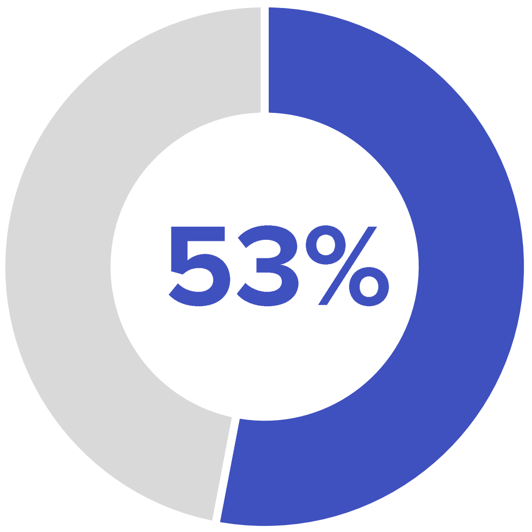
**82%**

say “personalized experiences” drive their choice of brand in at least half of shopping situations




% of respondents, by how often they choose a brand over others due to it offering “more personalized experiences”

From Medallia Market Research August 2023 Personalization Survey (n = 2,001
“How often do you feel a company that provides more personalized experiences gets you to choose them, or spend more with them, instead of choosing a competitor?”




of customers believe companies should use elements of **personalization in most or all interactions**

From Medallia Market Research August 2023 Personalization Survey (n = 2,001)
“If always possible, how often would you want a brand to use elements of personalization when they interact with you?” % selecting “often / more than half of the time” or selecting “every time”

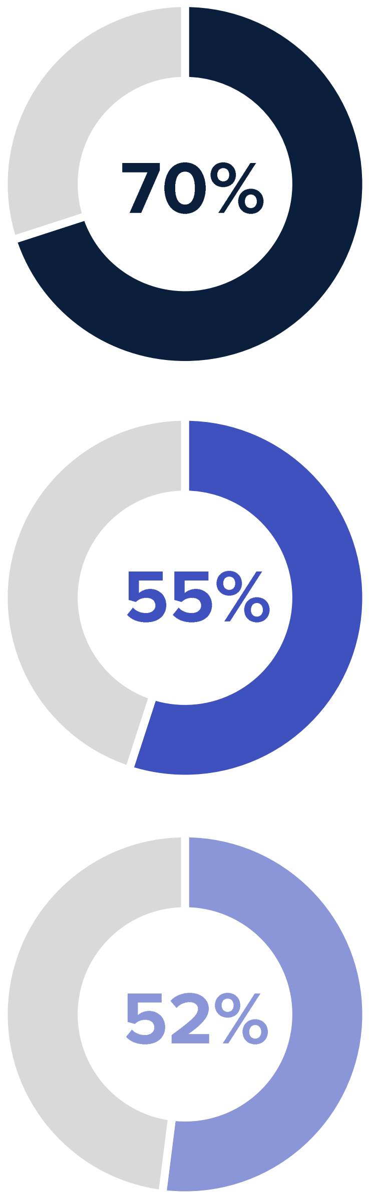
# …and brands are regularly falling short

“Companies could do more to make interactions with customers feel more personal”

“I have experienced a company asking me for information about myself multiple times and then never doing anything useful with it”

“I have had a past experience where a brand has said they will provide a highly personal experience but then failed to deliver on it”

**% Agreeing**



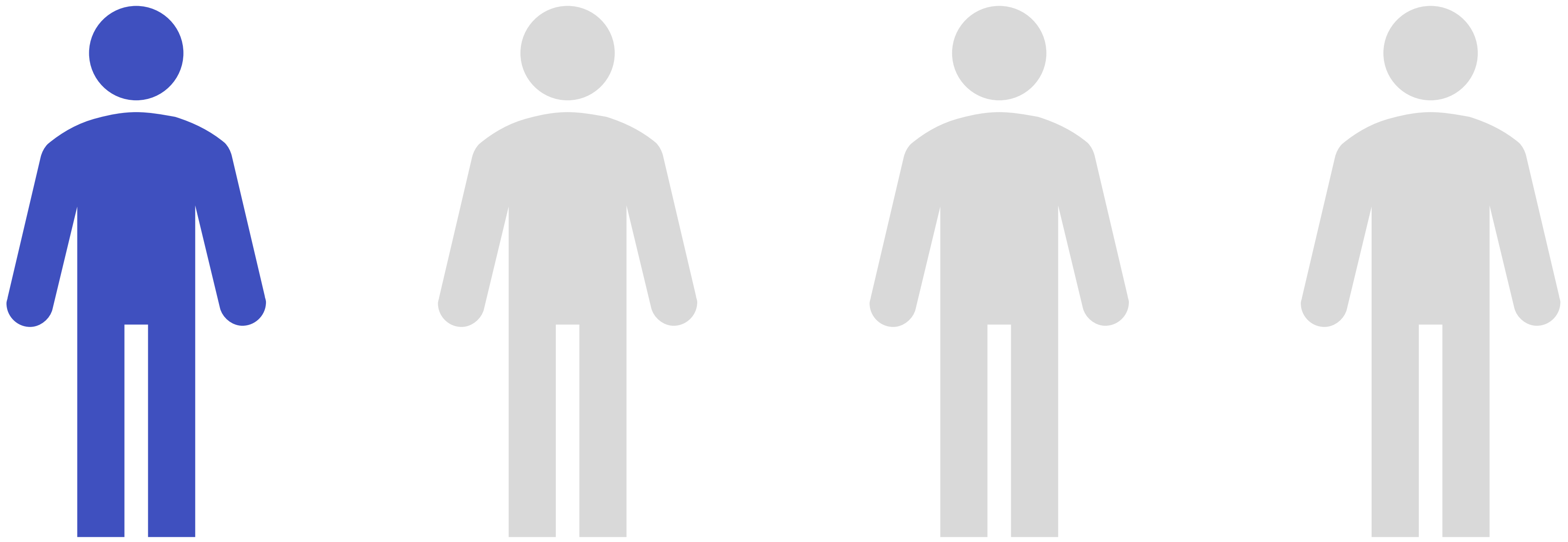

From Medallia Market Research August 2023 Personalization Survey (n = 2,001). “For each of the following, select the choice that best represents your feelings”. % selecting agree or strongly agree (4 or 5) on 1-5 scale

# Only a minority of brand interactions leave consumers feeling it was personalized

## Only 26%

rate the **level of personalization** in their last company interaction as a 9 or 10 on a 0-10 scale



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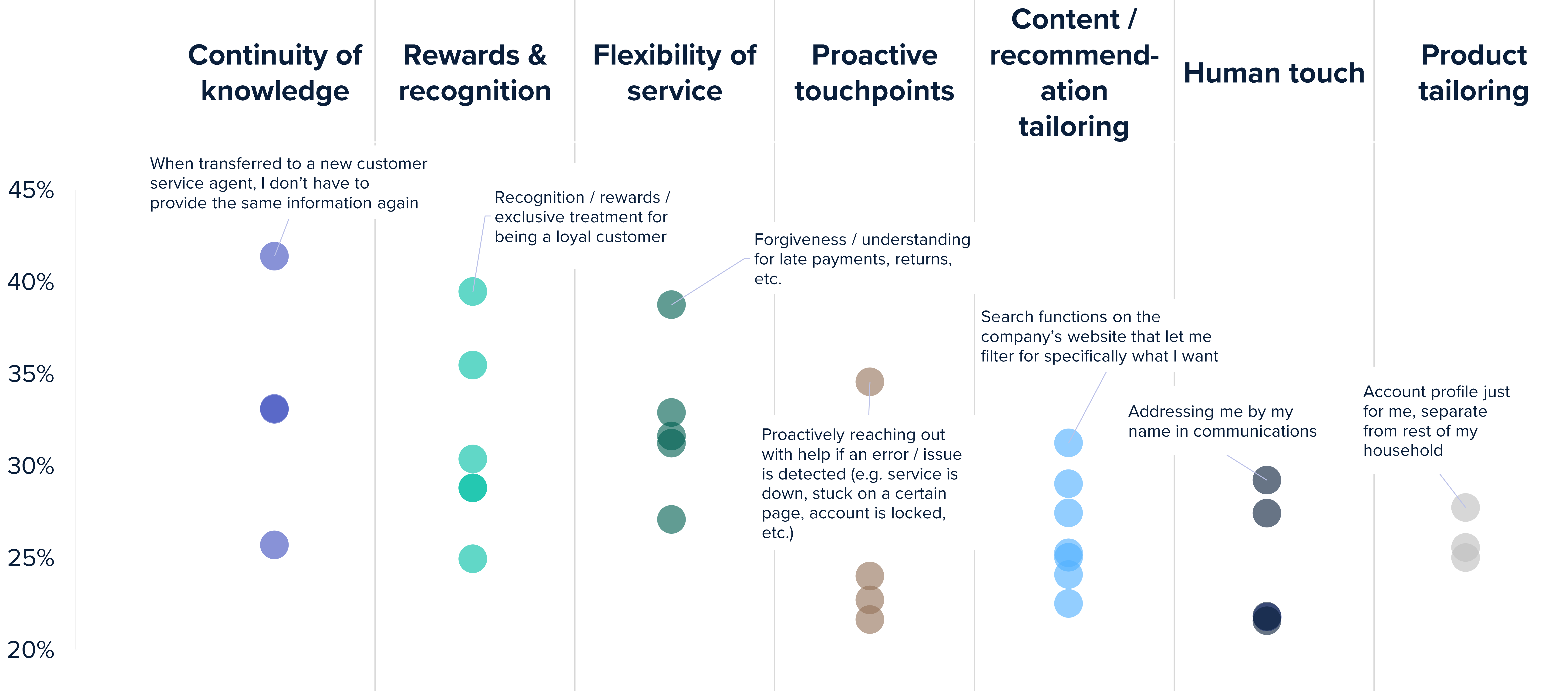
From Medallia Market Research August 2023 Personalization Survey (n = 2,001). “For each of the following, select the choice that best represents your feelings”. % selecting agree or strongly agree (4 or 5) on 1-5 scale

# Critical elements of personalization: continuity of knowledge and rewards / recognition

% saying element has a "strong positive effect" on their experience. Select named out of 34 elements asked (dot for each)

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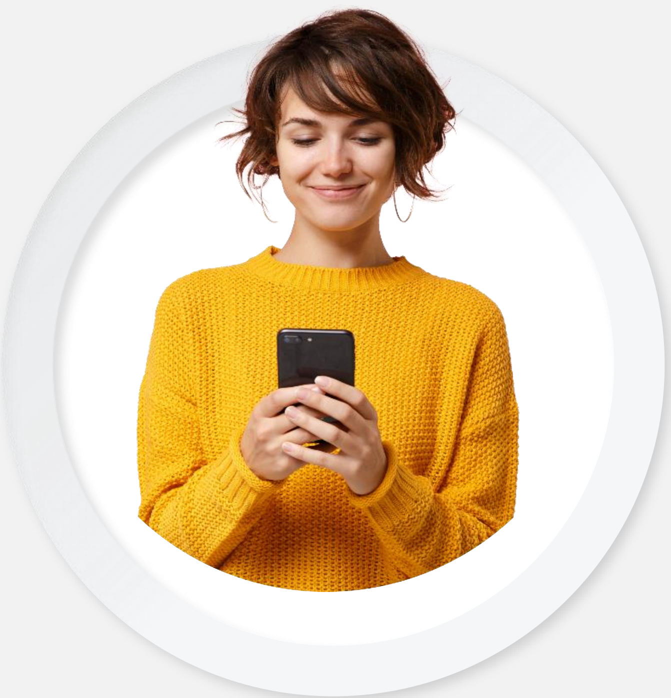
From Medallia Market Research August 2023 Personalization Survey (n = 2,001) "Personalization when a company interacts with a customer can involve many things. Some possibilities are below. For each of them, please rate the extent to which they are likely to improve the experience for you."

# Leading brands personalize at scale by building differentiated capabilities in unified data, tailored content, and omni journey orchestration

## PERSONALIZED EXPERIENCES

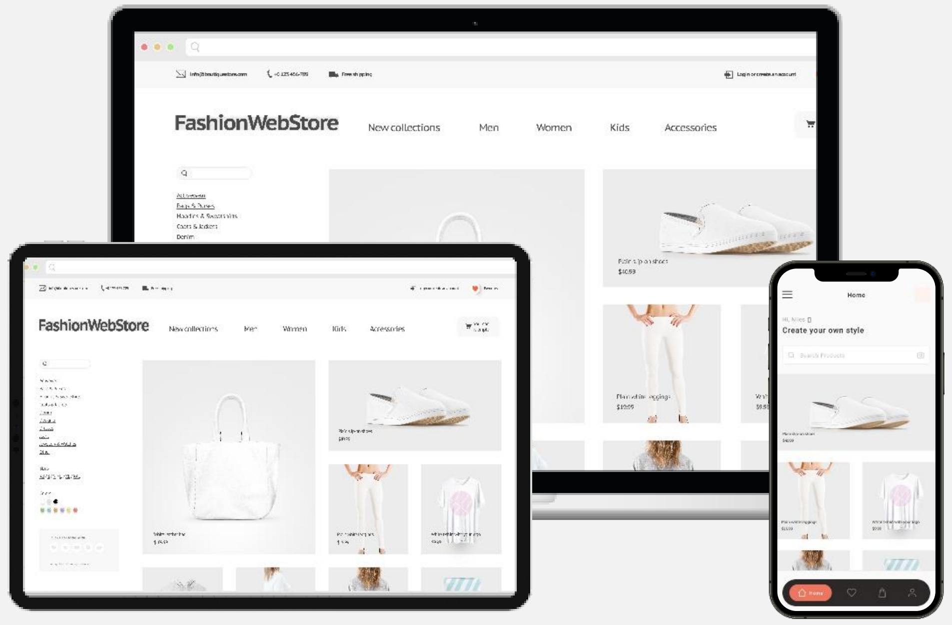
Delivering the right experience at the right time to every customer in the right context and channel

### Unified Data & Insights



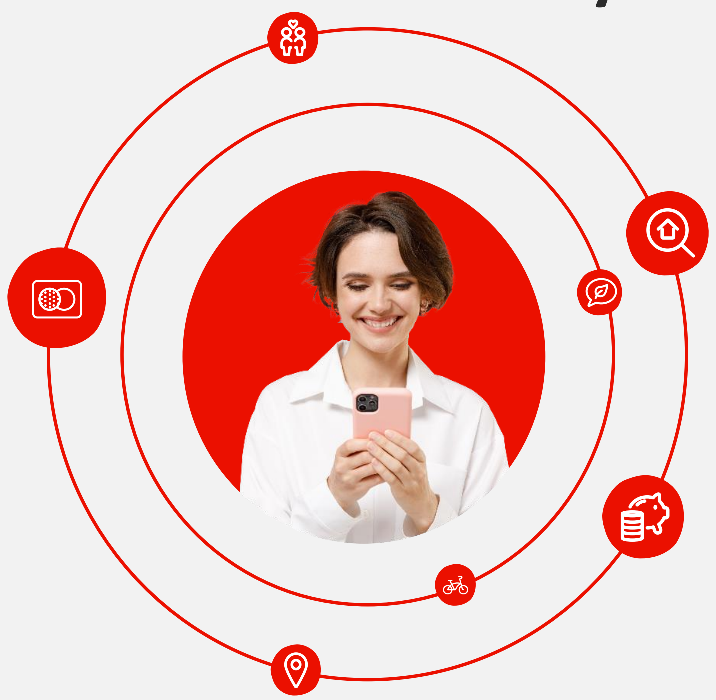
- *Real-time 360 customer data & signals*
- *Responsible data management*
- *AI/ML predictive models/algos*

### Content & Collaboration




- *Streamlined content creation & workflow*
- *Modular content, intelligently assembled*
- *Seamless content re-use*

### Orchestrated Journeys



- *Coordinated cross-channel journeys*
- *Real-time, behavior-triggered, contextual*
- *Advanced decisioning/next best experience*

## Org & Operating Model

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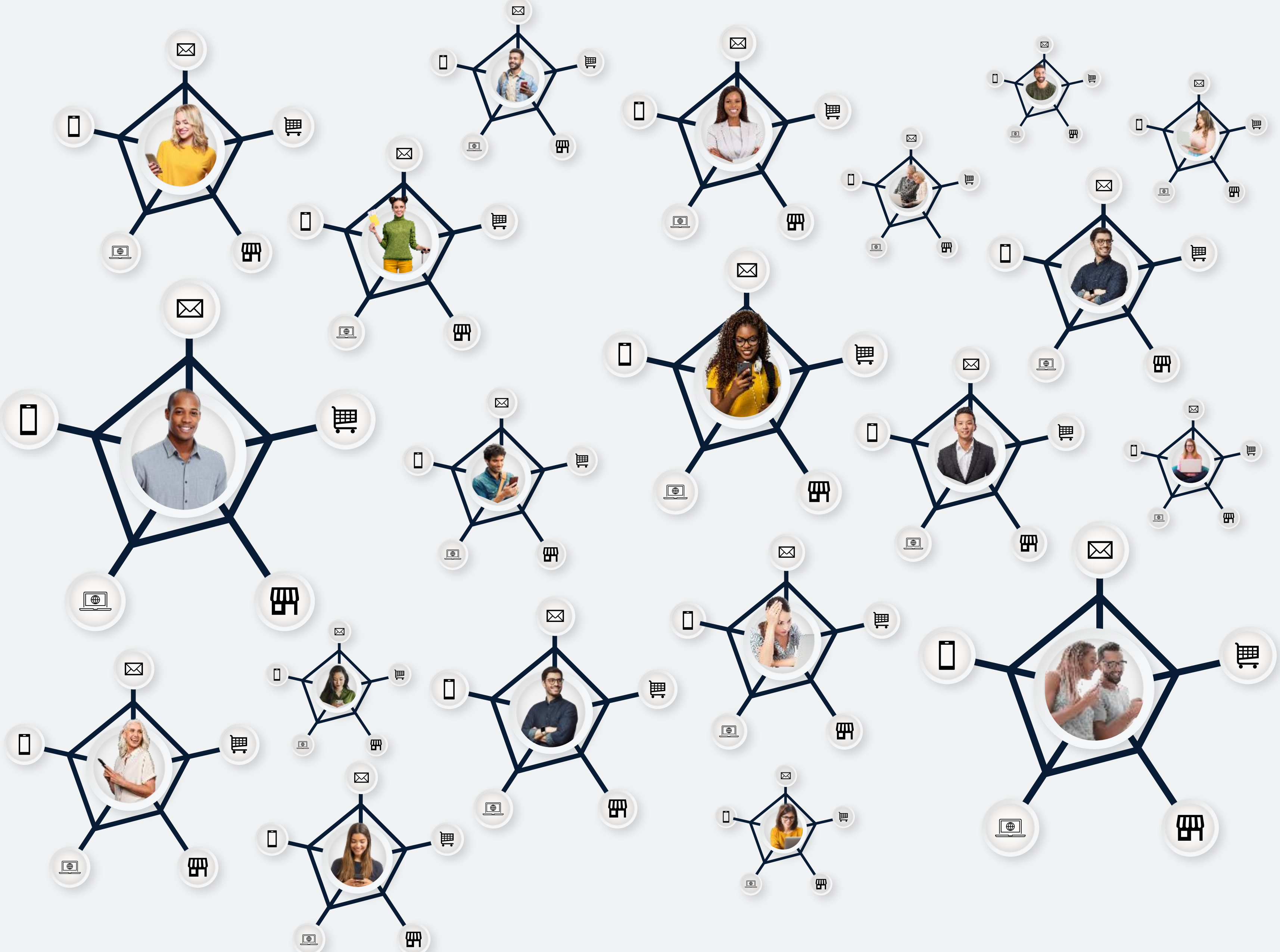
# Personalization at Scale (P@S) is a strategy to deliver contextually relevant experiences for every customer across all interactions and channels

**Personalization** is delivering a tailored, relevant experience to the right customer on the right channel

**Personalization at Scale** is being able to do that for **every customer** on **every channel** in **real time**



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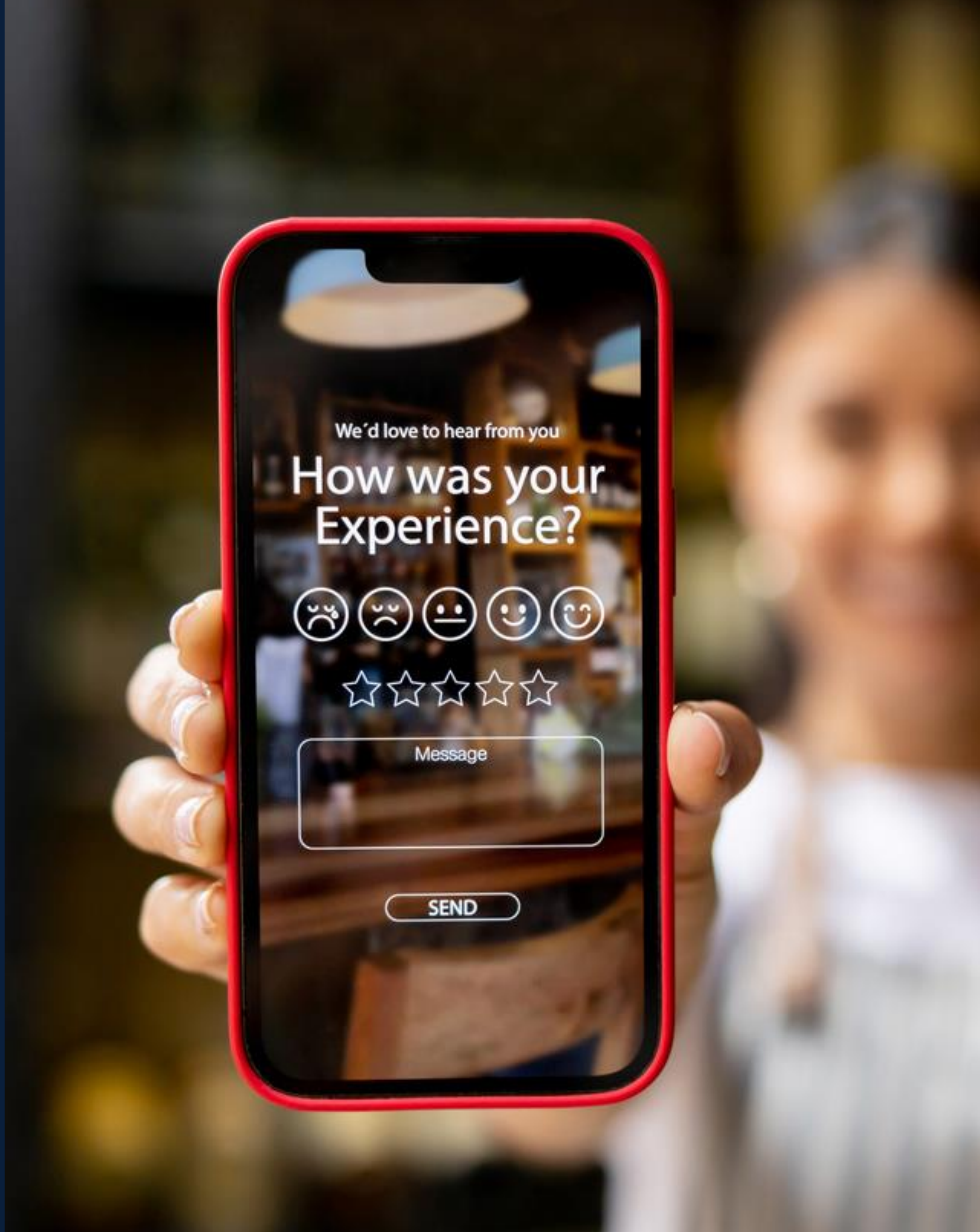
## **Insight #3:**
## The role of AI in personalization & CX



# AI promises new efficiencies – with focuses beyond just GenAI

## Easily explore and visualize new concepts

**45%** expected time savings

[Source: Adobe Economic Impact of GenAI Survey]

## Optimize audiences and journey designs

**36%** expected time savings

[Source: Adobe Economic Impact of GenAI Survey]

## Measure content and campaign performance

**32%** expected time savings

[Source: Adobe Economic Impact of GenAI Survey]

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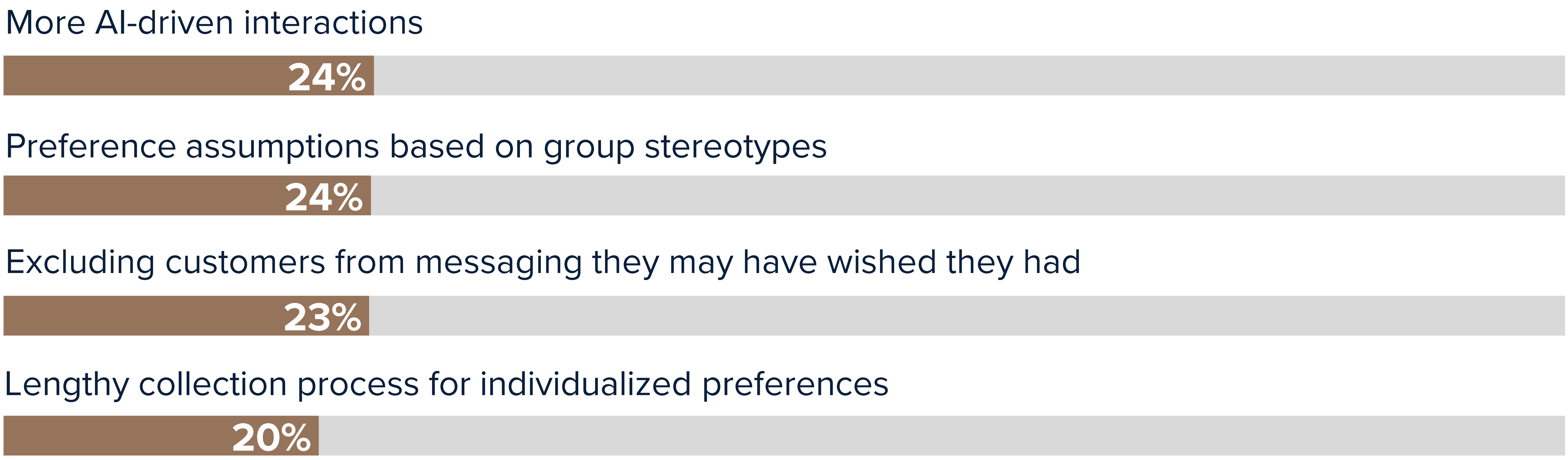
# Consumer reactions to what might be needed to implement personalization features

## % Expressing Concern / Opposition




From Medallia Market Research August 2023 Personalization Survey (n = 2,001)
"For companies to personalize the experience they deliver to you in the future, it may require some changes from how they interact with you today.  For each of the following, please share your view on how accepting you would be with companies doing these things in order to deliver a more personalized experience."
% selecting 1-2 on a 1-5 scale of support level.

## Trend #2:

Digital is increasingly a part of every journey

## Insight #1:

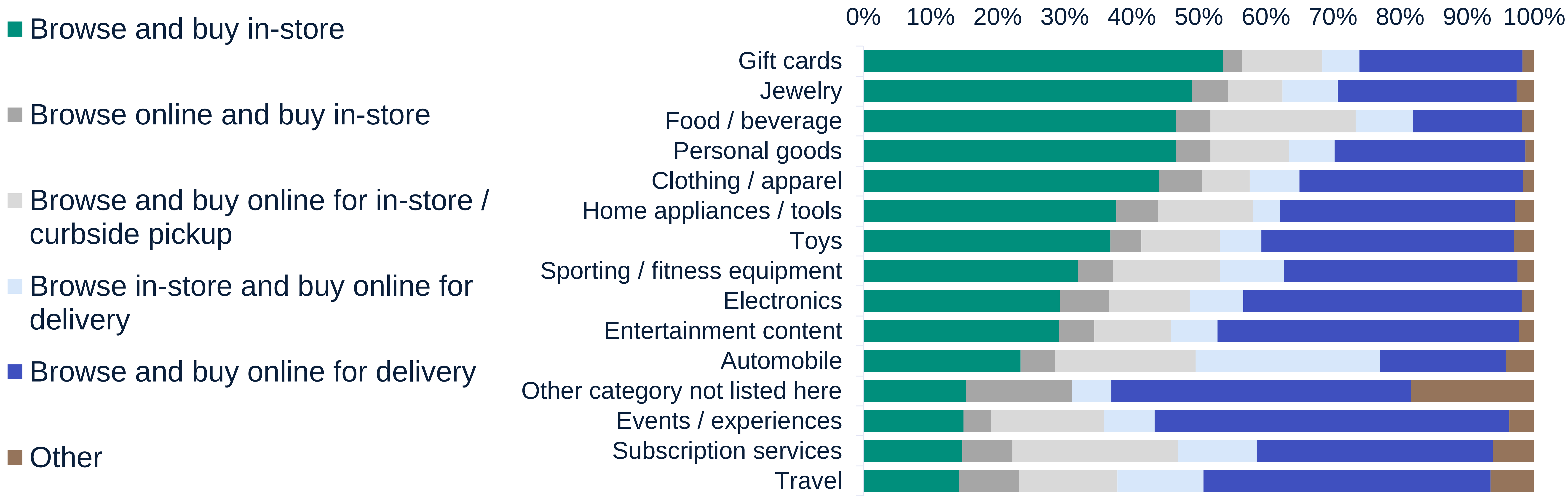
Digital is a key part of every shopping experience, even post-COVID

# Omnichannel paths are still common for big retail events

For many retail categories, barely more than half of shoppers had a solely in-person journey on events like Black Friday or Cyber Monday.

**Shopper journey paths for Black Friday / Cyber Monday shopping, by product type**

For the types of items you expect to shop for on Black Friday / Cyber Monday this year, how do you think you will shop for each of them?  Select the choice that best applies

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From Medallia Market Research Holiday Shopping Plans Survey, fielded July 2023 (n = 2,210).  Among subset with children in household.

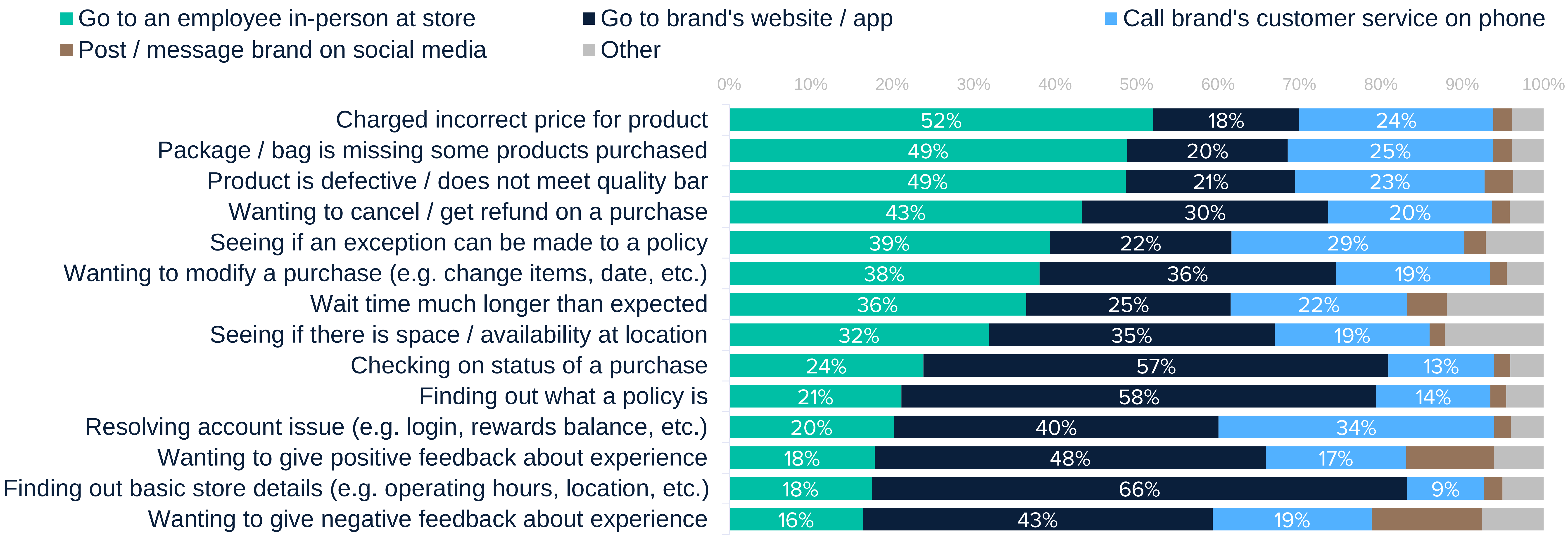
 

# Many price or product issues still preferred to be resolved in-person, but digital is big for others

## Information seeking skews toward Online service

**Preferred service route based on situation**

% of respondents; simple average of In-Person and Online shoppers for retails & restaurants studied

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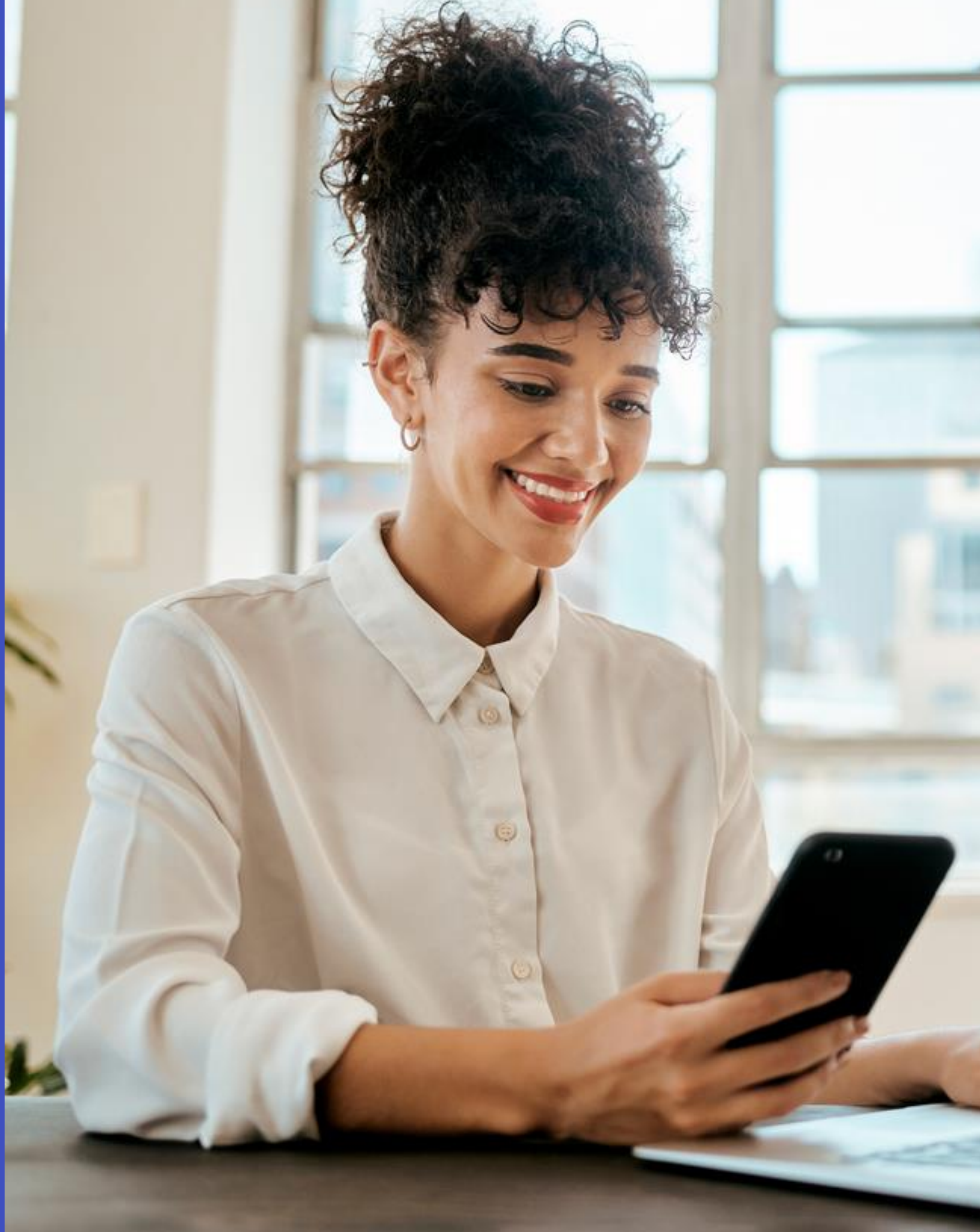
From Medallia Market Research Digital vs. In-Person Benchmark Survey (36 restaurant / retail brands total, 1500 in-person and 1500 website visitors based on natural incidence per brand). Data collected November 2022.

## Insight #2:

Mobile phones are the key connector between digital + the world

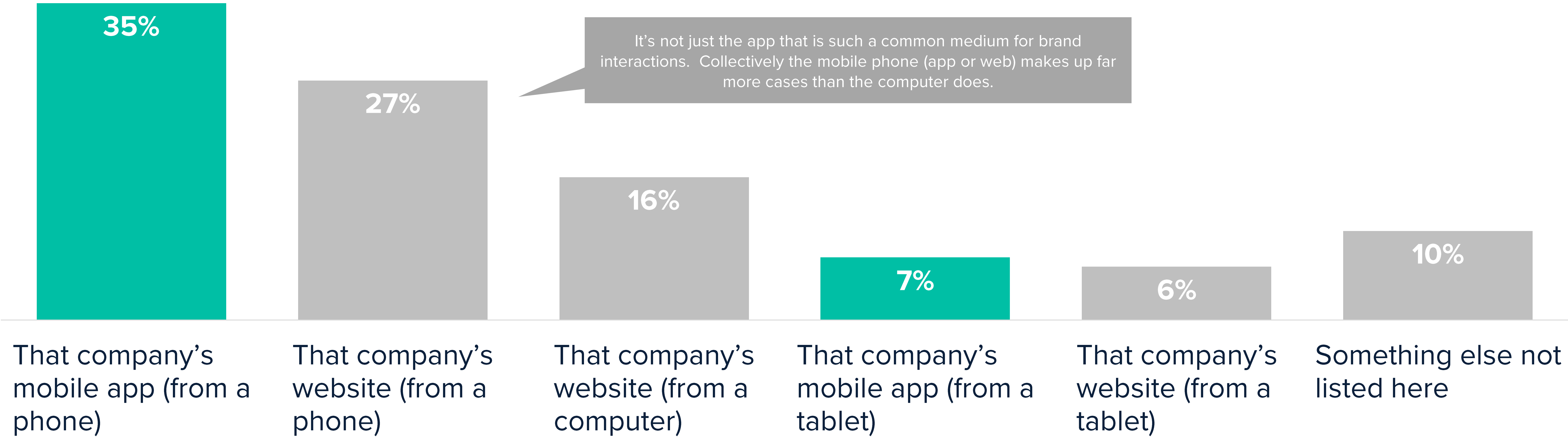


# Apps closely rival websites for brand interactions

## The single most common medium for recent company digital interactions is mobile app from a phone.

**Most recent digital interaction w/ a company: Primary method used**

Think of the last time you interacted with a company through a digital channel (exclude cases where you were simply browsing on social media). During that last time you interacted with the company through a digital channel, which channel was it?  Select the choice that best applies.

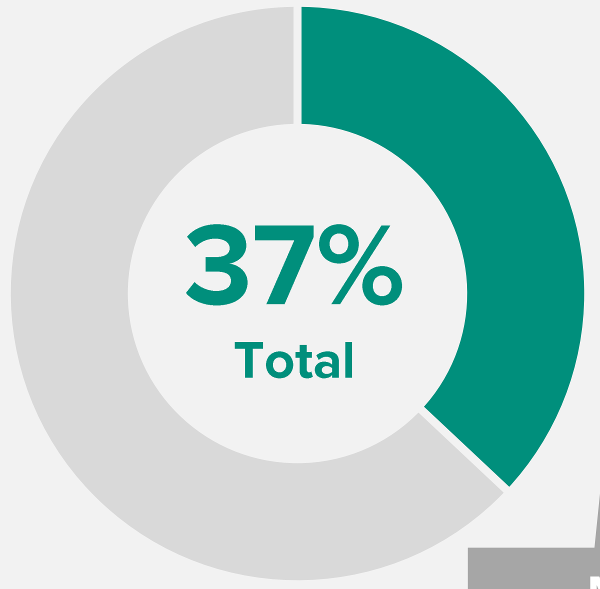



From Medallia Market Research September 2023 US Gen Pop Survey (n = 2,000)

# If the app is just one of multiple channels used in an interaction, in-person is also common

It ranks highest among the sizeable 37% of interactions that involve a mobile app, but not only a mobile app.

**% of app users who also interacted via another channel on that occasion**




Millennials: **44%**
Gen Z: **52%**

**Of multichannel experiences, % by channel**



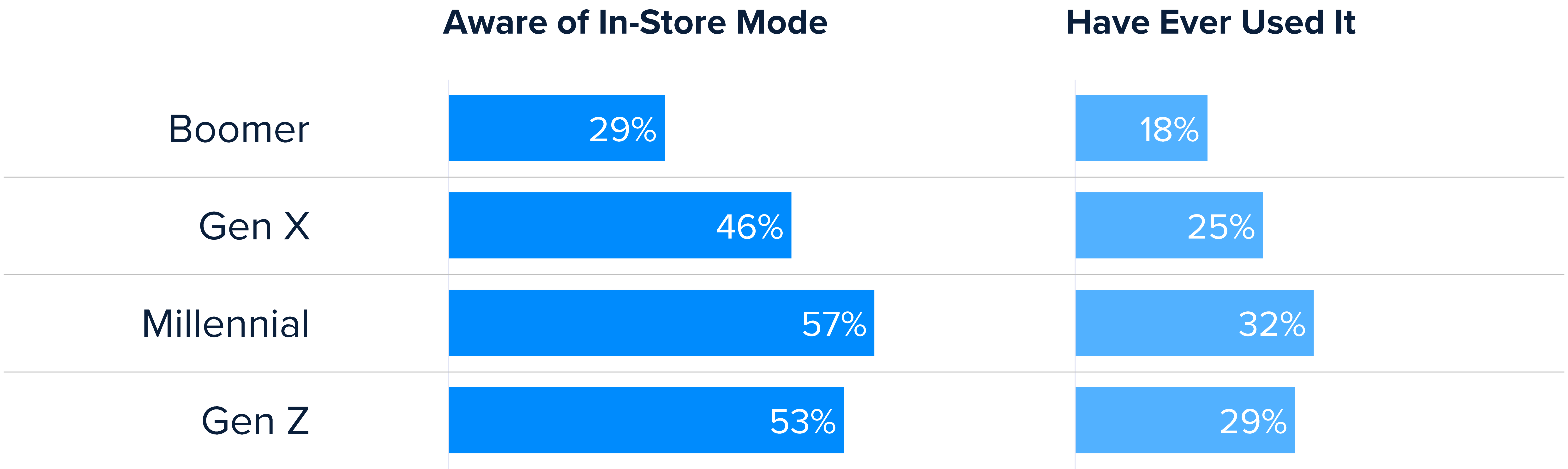

 

# Millennials are most likely to be aware of, and have knowingly used In-Store mode

Still, no generation has a majority with experience knowing using In-Store mode.

## In-Store Mode Prevalence

Are you familiar with mobile apps that have “in-store mode”?




From Medallia Market Research September 2023 US Gen Pop Survey (n = 2,000)

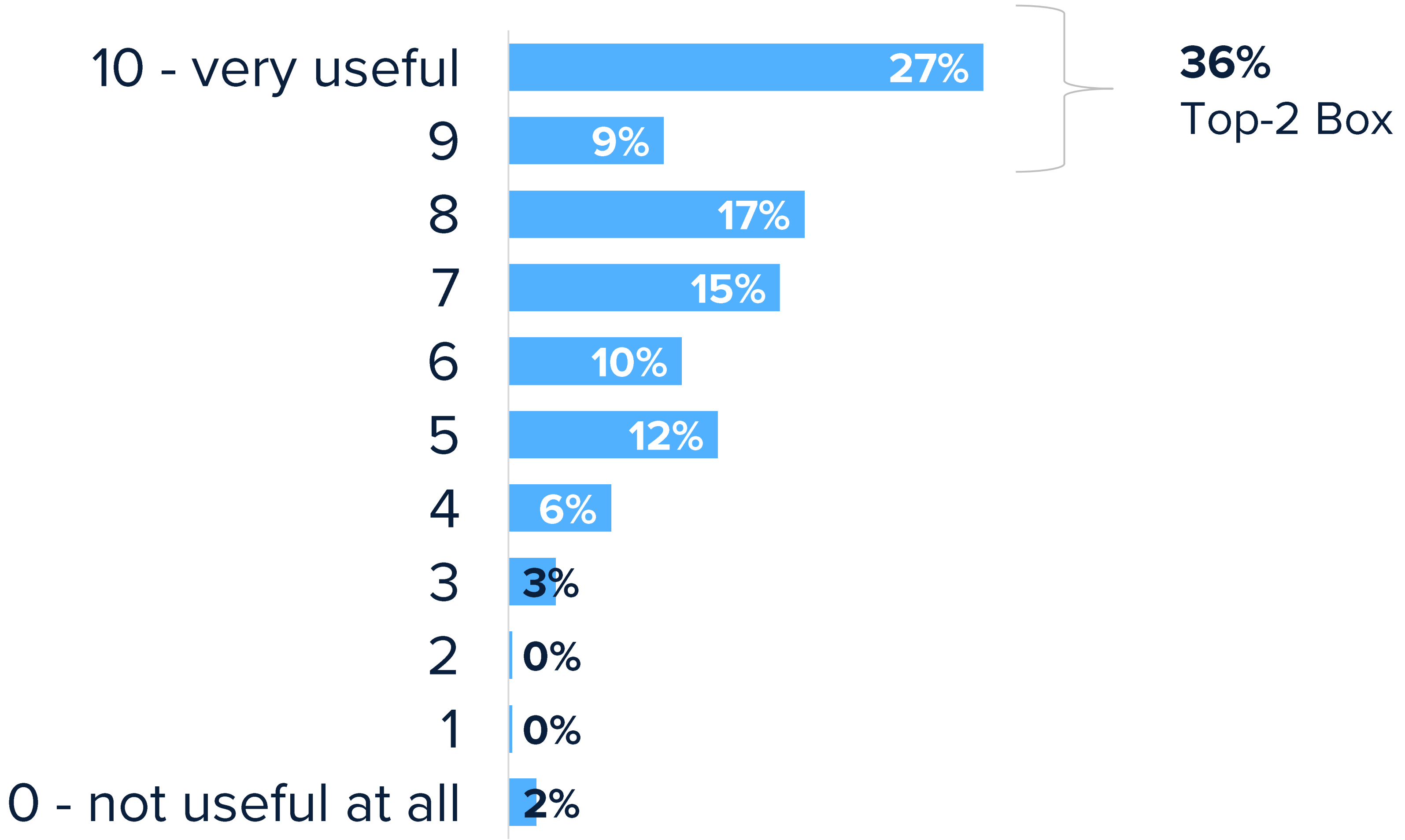
 

# Many users are satisfied with in-store mode as-is, but also have ideas for improvements

More real-time information, reduced glitches, and more discounts are especially popular user-generated ideas

## Usefulness rating: In-Store Mode

How useful do you find “in-store mode”? Among prior users.




## Free response themes: What would make In-Store Mode better?

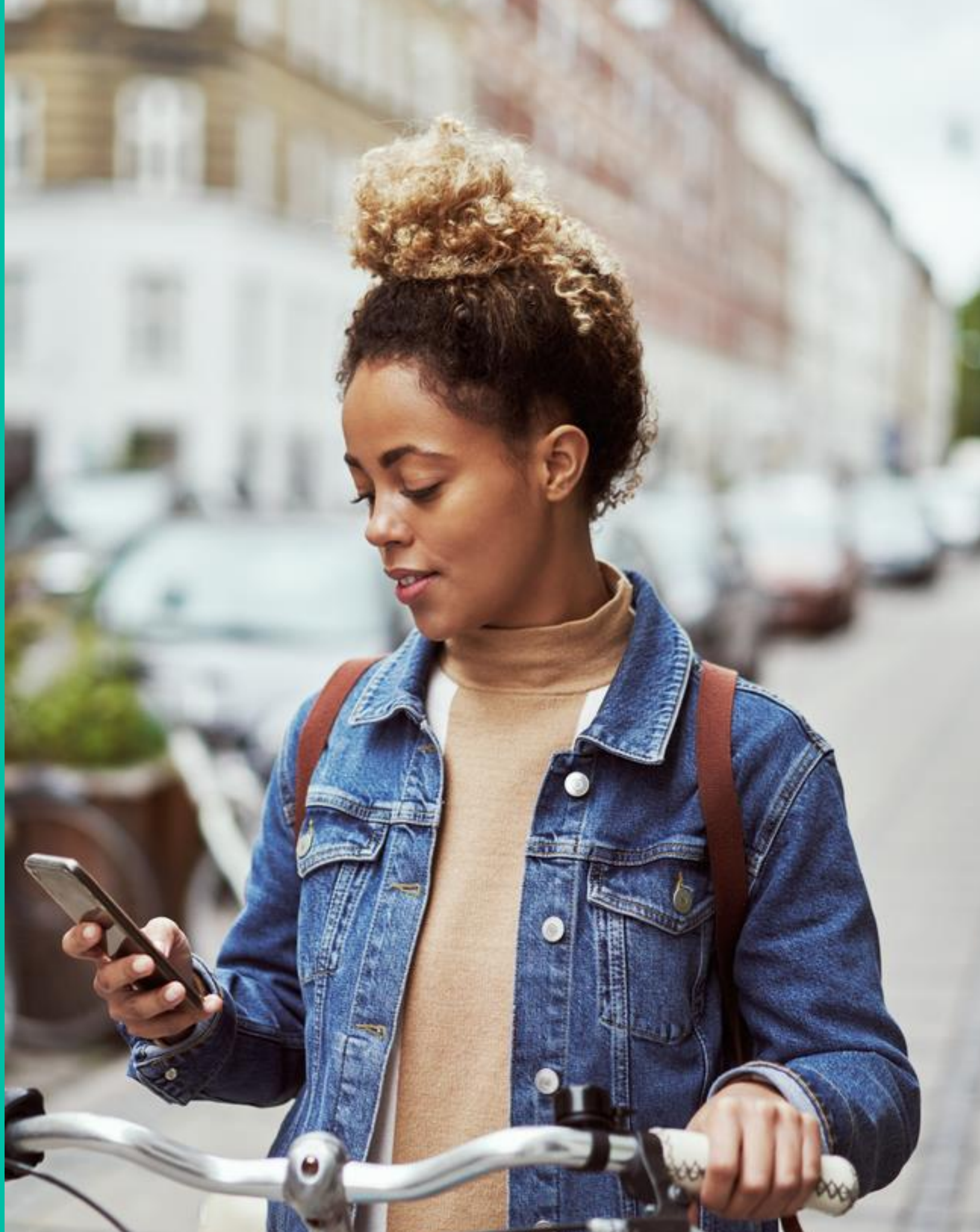
1. More real-time, accurate information about in-store items
2. Glitches and slow loading
3. Show more in-store discounts / offers
4. Privacy & security
5. Nothing / satisfied as-is

From Medallia Market Research September 2023 US Gen Pop Survey (n = 2,000)

## Trend #3:

Brands need to commit to digital to capture younger buyers — but caution is necessary



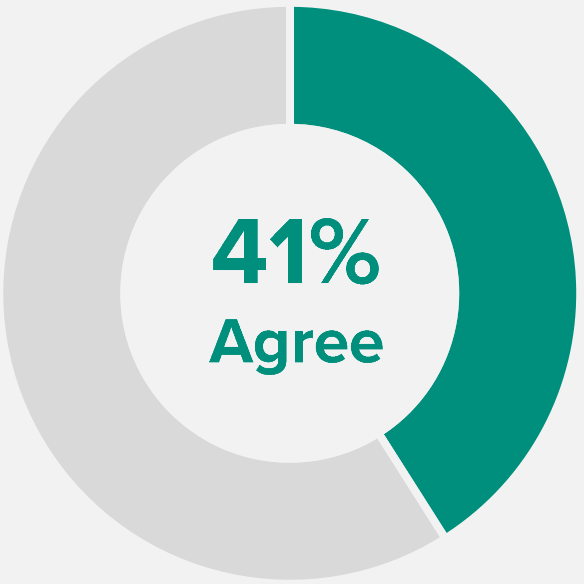
## Insight #1:

Social plays a key role in discovery for younger buyers

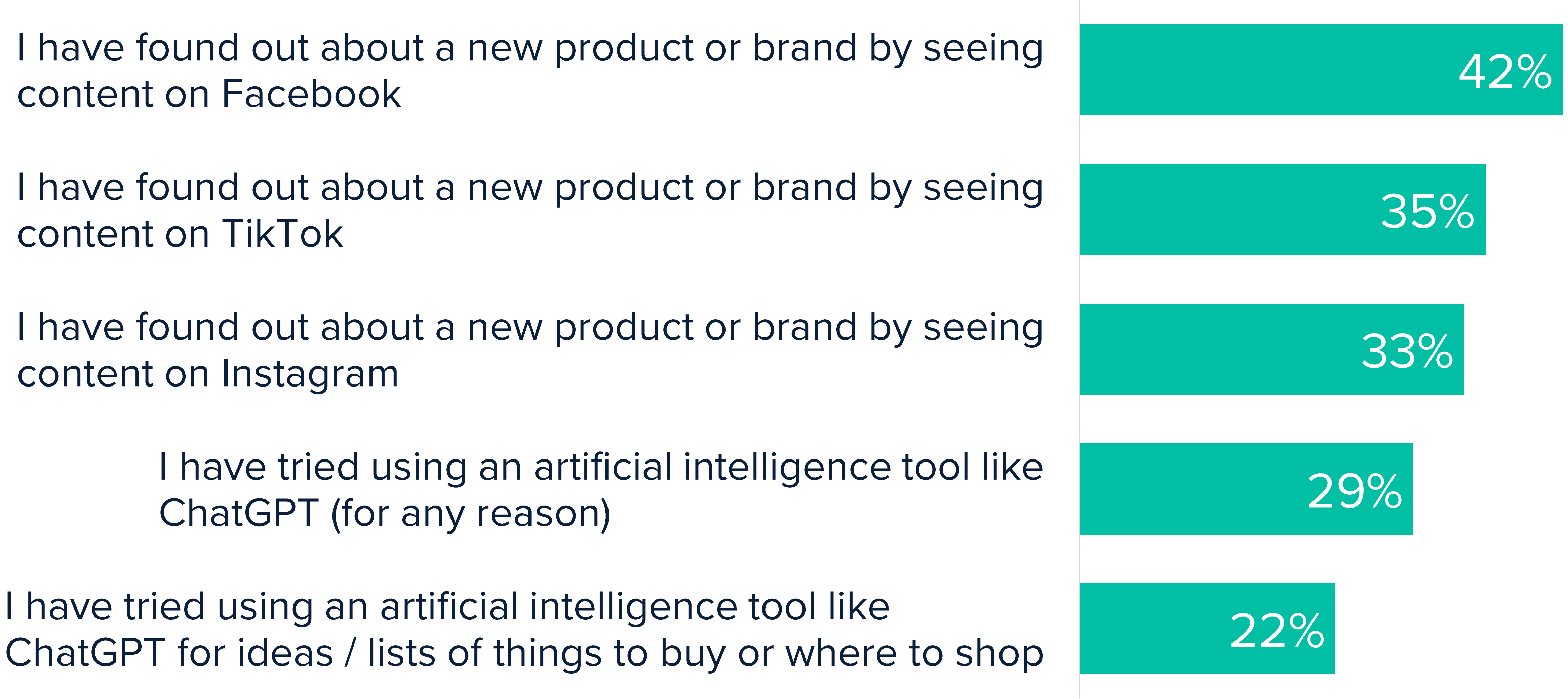
# Brand social media presence is increasingly important, even vs. last year

Generative AI tools may become the next frontier for product discovery as well.

**“Social media is playing a bigger role in how I find out about products and brands now than it did a year ago”**




**% selecting true, by statement**





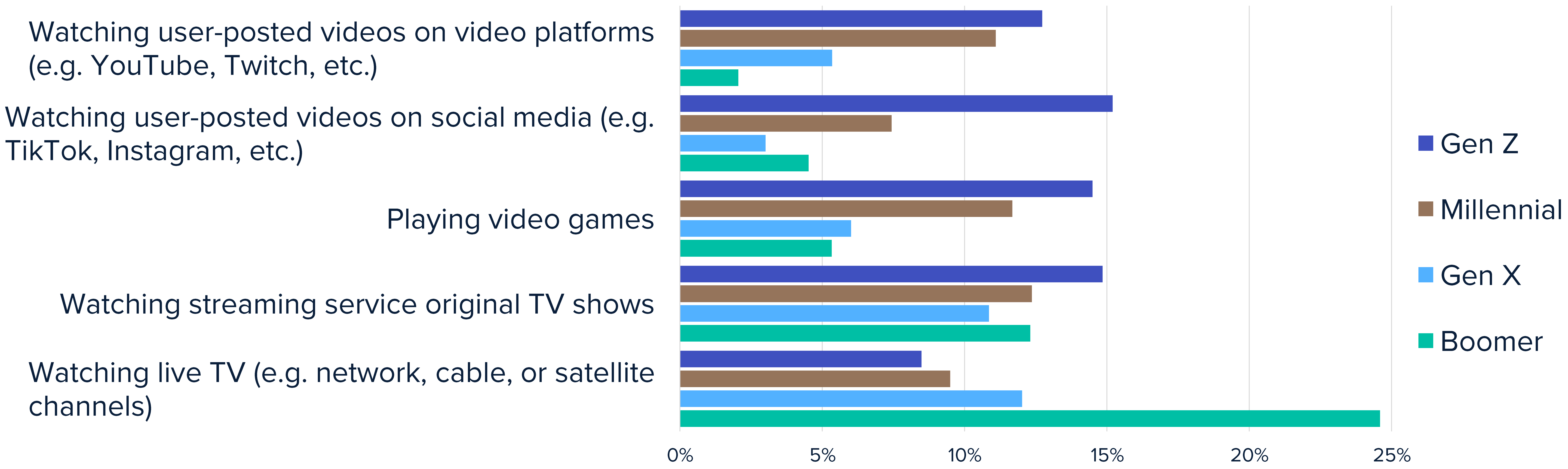

 

# Reaching Gen Z means being visible on user-generated content platforms

## They are more likely to spend 15+ hours per week on video platforms like YouTube, Twitch, or TikTok than watching regular TV.

**% saying they average 15+ hours per week on given activity**

For each of the following, select the choice that is your best estimate of how much time you spend per week on average.




From Medallia Market Research August 2023 US Gen Pop Survey (n = 2,276)

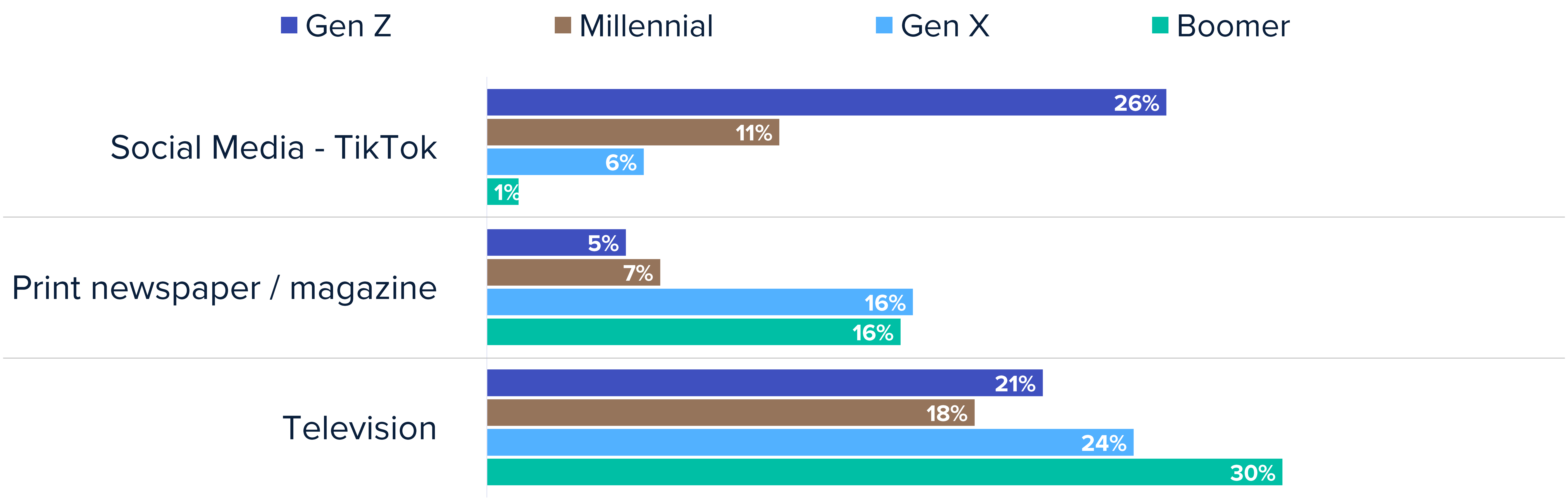


# These generational skews exist for product / offer discovery for major shopping occasions

**Expected Black Friday / Cyber Monday deal discovery: Generational cuts**

You mentioned that deals running during Black Friday / Cyber Monday will likely play a role in where you choose to shop. From where do you expect you will find out about these deals at specific stores? Select channels listed (out of 20 total)



# Q&A

# Thank You