

online commerce with the high-touch world of brick and mortar. So far, that has proven elusive.

“All of these companies are trying to do this sexy personalization stuff, but the truth is they haven’t done the unsexy work of capturing, organizing and using customer data to create truly relevant experiences,” says Witcher.

According to Segment’s 2017 State of Personalization Report, just over half of department store shoppers expect a personalized experience, yet less than one in five actually get it. Online, the difference is even more stark: More than three-quarters of online shoppers expect personalization but only 23 percent of stores deliver.

“Shoppers expect brands to remember who they are, whether they’re on a digital channel or in-store,” explains Peter Reinhardt, CEO of the customer data platform. “However, very few companies can actually deliver on these tailored experiences. The brands who get this right will reap the rewards, as personalization and the customer experience will be the key differentiators in the near future.”

Even Amazon, considered best in class at friction-free commerce, falls short at personalization, says Jeriad Zoghby, managing director for Accenture Interactive and global lead for personalization. “No one’s doing a good job of being personal yet in the digital world,” he notes. “If you walked into Nordstrom and the salesperson said, ‘Oh, I see you picked up that shirt. Let me show you other shirts that people like you bought,’ that would not be very personal. The guy who helps me at Nordstrom knows I don’t like buttons on my collar. He knows the shade of blue I like, the fabrics I prefer, the brand I buy. No one has closed the gap between the offline and online experience.”

CHANGES IN STORE

While true personalization is still in its infancy, there are glimmers of change on the horizon.

Later this year, Glossier plans to roll out a point-of-sale system inside its SoHo showroom that will merge customers’ online and offline data, says Mahoney. “The sales associate will be able to see your history, how often you shop, products you tried before, the last one you bought, the last article you read on Into the Gloss—any information we can give to people on the floor to make the shopping experience better.”

Witcher says an increasing number of retailers are outfitting sales associates with mobile devices, so they can look up user accounts on the store floor to create a more personalized experience.

Some makeup brands are looking closely at technologies like facial recognition, says Allan Cook, managing director with Deloitte Consulting. Peer into a smartphone app or a digital mirror at the cosmetics counter, it will identify you, pull up your purchase history and offer personal makeover advice.

JUST FOR YOU

Retailers’ “personalized” shopper experiences are more like customization.



New Balance

Online shoppers can select from a large palette of colors and styles that reflects their personal aesthetic.



Form Beauty

Customers who take a survey get a list of products that match their hair-health needs.



Toys R Us

The retailer uses cameras to capture kids’ movements to turn them into Mickey Mouse.

For the last three months Melissa Shoes USA in Miami has been piloting a facial recognition platform called Facenote. Shoppers opt in by texting a selfie to the store or sharing it on social networks using a special hashtag; using cameras inside the store, Facenote recognizes them and notifies a sales associate on their mobile phone or store app. The platform ties into a store’s CRM database, so associates can view a customer’s previous purchases and preferences, says Facenote CEO Eduardo Rivara. He adds that the company is talking to a handful of large retailers about adopting the technology.

Next month, Danish footwear brand Ecco will debut a pilot program called “Quantified U.” Shoppers who enter its concept store in Amsterdam can have their feet scanned; a 3-D printer will then produce a midsole made from medical-grade silicone perfectly tailored to the customer’s foot shape and gait.

“Each midsole will be truly unique to each customer,” says Susan Olivier, vp of worldwide business development for consumer goods and retail at Dassault Systèmes, whose FashionLab tech incubator collaborated with Ecco on the 3-D modeling technology. “That takes personalization to another level.”

Olivier predicts that advances in 3-D printing over the next five years will make it possible to produce bespoke tableware, footwear, handbags, sporting goods and other one-of-a-kind items.

“That to me is something retailers should be jumping on,” she says. “Physical stores need to move from ‘storage’ to ‘story’ to remain relevant. Offering access to goods customers can’t get anywhere else is how you turn a store into a destination. This allows retail locations to act as showrooms, keeping basic items in stock but allowing almost anything to be custom produced for a small upcharge and turnaround time.”

NOW WHAT?

The retail industry knows it needs to personalize, but it’s still struggling over what to do, says Paradysz. “The marketplace understands the how and the why; it’s the ‘what’ that’s the challenge. What do they do with all this data and technology? What do they need to spend? Very few have solved the data problem or overcome the technology barriers,” Paradysz says.

Zoghby says retailers need to stop trying to control the customer journey, and make it easier for people to get what they want on their own terms. “The future is not about creating journeys, it’s about enabling them,” he says. “That’s a subtle difference many people don’t get. Amazon, Uber and Netflix didn’t win because they used technology; they won because they reinvented old service models. Retailers will win when they focus on the service model and enable customers to create their own journeys. Don’t create a portal where they get to customize things. Just make it easier for them to do what they want.”