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Tidal

The Metaverse of Now: How hyper-personalization is bridging the retail divide



Welcome to the metaverse of now

The metaverse is many things to many different people. One way is to describe the metaverse is digital spaces that bring together existing technologies including social media, gaming, blockchain, and augmented and virtual reality to enable users to connect virtually and explore new ideas - and most importantly, brands and products.¹

While the utopian-like metaverse of one giant shared virtual space is still a long way off—if it ever develops —siloes mini metaverses are expanding within online environments.

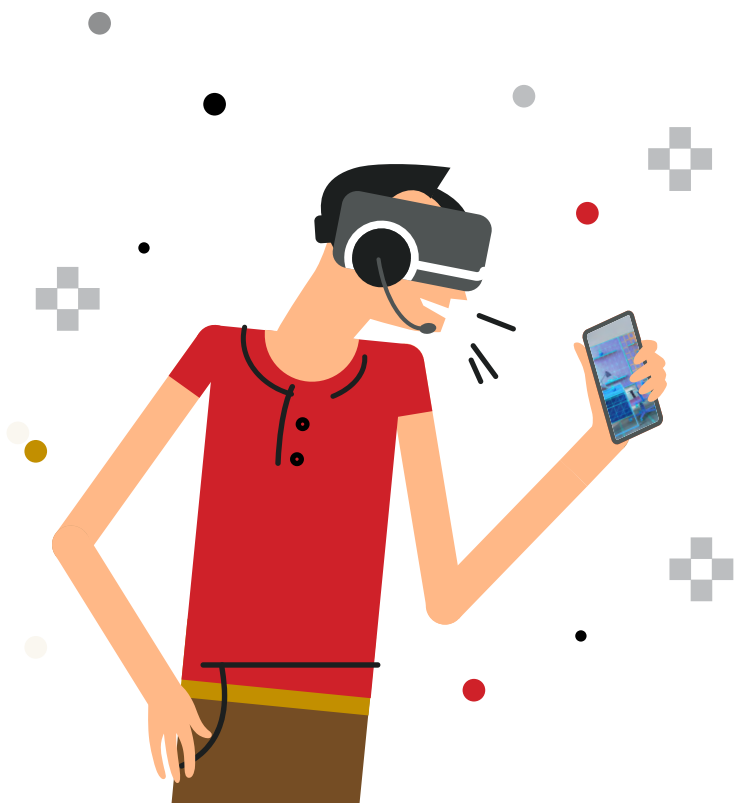
Brands and retailers—online and in physical spaces—are already embracing these practical applications or “fragments” of the metaverse. From 3D virtual shopping, branded NFTs, livestream shopping, and smart chatbots to experiential brick and mortar, the retail marketplace abounds with examples of hyper-personalized experiences designed to meet customers in their preferred channels.

The technological building blocks forming the metaverse have existed for years - and are rapidly advancing. While blockchain, AR, VR, artificial intelligence (AI), and the Internet of things (IoT) are fueling the creation of metaverses today, retail marketplaces are also leveraging innovations as diverse as marketing automation, digital currencies, and software architecture to create more seamless and immersive shopping journeys.

The metaverse goes omnichannel

The merging of physical with digital, **phygital** uses technology to bridge the digital and physical worlds to provide unique interactive experiences for the consumer.²

Often associated with omnichannel, phygital makes use of technology to create a seamless, user-friendly digital experience for the customer. 2D goes 3D with virtual shopping environments and gamification elements, 3D-rendered store displays powered by AR and VR technology, virtual consultations from a brand avatar, and social commerce experiences such as inviting friends to shop in real-time.



Getting personal

Shoppers have come to expect personalization in both their online and offline shopping journeys. Personalization is associated with being made to feel special and valued by a brand, rather than one of hundreds of customers who shop with them each day. Consumers increasingly expect businesses to treat them as unique shoppers and understand their needs and preferences.³

This makes personalized communications and content key considerations for both first-time and repeat buyers. For first-time customers, these actions most influence the decision to purchase.⁴

1. Easy in-store and online navigation
2. Relevant product recommendations
3. Tailored messaging
4. Targeted promotions
5. Celebrate key milestones

The failure to personalize, or poor efforts at personalization, have a heavy cost. When customers are shown or recommended content or products that aren't relevant, this adds friction to the shopping journey. Companies risk alienating customers and missing out on revenue generation. Research from McKinsey found that companies who excel at personalization generate **40% more revenue on average** from these activities than competitors who do not.⁵



The crumbling third-party cookie

In the face of heightened expectations for personalization, regulations have made data tracking more difficult. Brands use third-party cookies to track website visitors, improve the user experience, and collect data that helps them target ads to the right audiences.⁶ Most browser providers have already phased out the use of third-party cookies, with Google the last player to limit use by the end of 2023.⁷

With these restrictions arguably making online targeted advertising less effective, brands and retailers are seeking new ways of collecting different kinds of customer data. Customer outreach where consumers voluntarily give information and brand-wide community-building are taking on new a level of importance. This requires brands to proactively connect with customers across multiple channels to meet shoppers in their preferred landscape, whether that be on social media, in-person, or on their ecommerce website.

While trust is still an issue for many consumers, **85% want brands to make use of first-party data** when delivering the kind of personalized experiences they now expect.⁸ This holds the key to bringing metaverse-like experiences to your customers using data gleaned directly from your customer, often in their own voice.

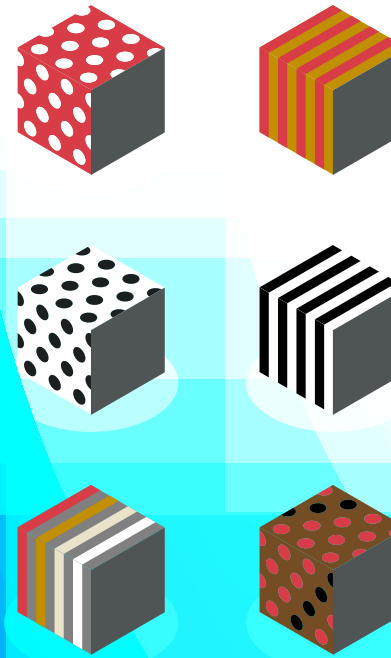
Customization goes into hyperdrive

This savvy use of customer data and technology opens up new opportunities to curate metaverse-like shopping experiences that take customer segmentation and personalization to a higher level. Hyper-personalization is the advanced and real-time customization of promotions, content, and customer experience at an individual level.

The tools of hyper-personalization

Hyper-personalization creates fine-tuned, targeted experiences through data, analytics, AI, and automation. At-scale content creation and AI-driven decision-making capabilities are enabling merchants to respond to customer behavior in real-time. The use of predictive analytics helps marketers to determine what content and messages to serve to which customers.

AI, enabled by first-party data, can combine to predict outcomes like which shoppers are most likely to make a purchase on paid media, for instance, or delve into past purchase history to present relevant product recommendations.



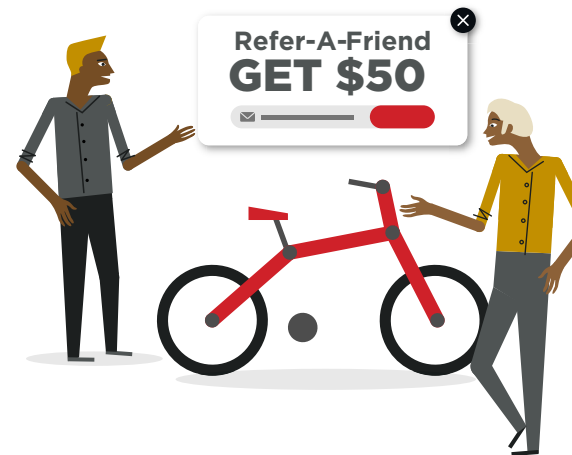
Pro tips to unlock customer loyalty

Pay special attention to marketing efforts after the first purchase. Retail technology company Bluecore analyzed aggregate sales data over a two-year period from retailers in several vertical sectors including apparel, beauty, footwear, and luxury goods. Among their findings:

- **74% of customers are one-time buyers.**
- **The second purchase holds the greatest potential to unlock future repeat purchases and increase customer lifetime value.**

By using first-party data and CRM data to build robust customer profiles, brands can connect and contextualize this information with shopper and product data to make predictions with a laser-sharp focus that builds on customer interest in your brand.

Furthermore, connecting marketing elements like ads, emails, and site advertisements to achieve channel synchronization and bring an even more cohesive, hyper-personalized experience to shoppers.



Hyper-personalizing the customer experience

So how can merchants begin to integrate key elements of the retail metaverse into their marketing strategy and tech stack to hyper-personalize the shopping experience? We checked in with a few of our Ryder partners to provide you with ideas on creating more engaging, immersive shopping journeys.

How to craft a personalization strategy

The scope for personalization is only growing as technology advances and customer expectations demand online shopping experiences be intuitive and aid discovery. But are brands fully embracing its benefits?

Personalization do's & don'ts

Try to avoid one-off personalization placements, like a tick-the-box recommendation on a product page, or an optimized hero banner on a home page, with no bigger picture. These are fine if you're experimenting for learning purposes. But remember: personalization efforts should derive from your overall strategy, informed by priorities and broad problems.

Personalization should also work in tandem with your technology stack to achieve mutual goals which is why a solution with good third-party integrations is essential. As we'll illustrate, it's imperative to leverage data between your personalization vendor and the rest of your solutions to deliver consistent experiences across channels—as customers expect.

Brands must be careful not to underestimate the power of same-session personalization, as well. Using real-time data to enable your campaigns to adapt as a shopper browses lets you strike while the iron's hot, not after the fact. Don't fall into a rut of solely relying on historical and existing CRM data; instead, have your site pick up shopper signals (behavior data) of intended purchase as they browse (such as clicking and viewing products, adding items to cart, for example) and have campaigns adapt to these in real-time.

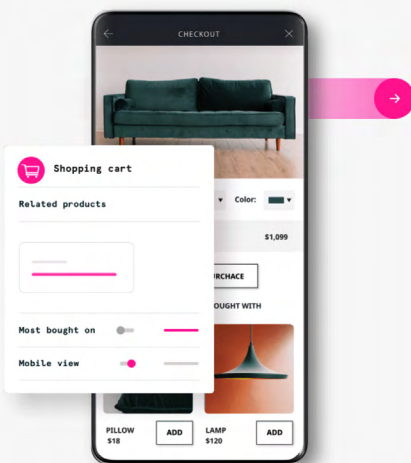
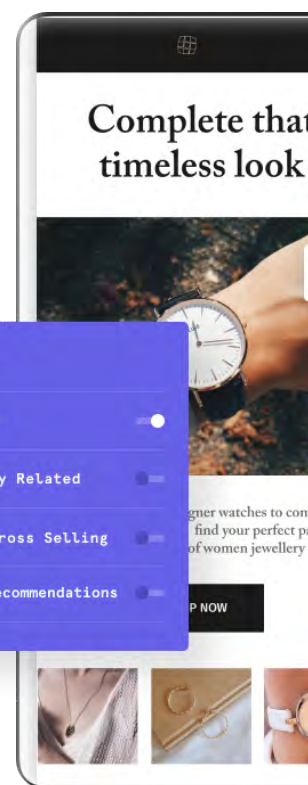
Get a load of this

We have a broad suite of personalization products at **Nosto**, and we're often seeing clients create some pretty impressive experiences. One particularly progressive example is from fashion-forward clothing client, Princess Polly. They've tailored their homepage to surface specific content to a segment of customers who have shown affinities toward "curve" (plus size) category products through a combination of our Content Personalization and Product Recommendations solutions.

We have already touched on the need for omnichannel delivery. Integrating online with offline experiences is within reach with a commerce experience platform that captures data for use elsewhere to encourage customer retention. One cross-channel personalization experience Nosto allows for is enabling product recommendations rendered on-site at the merchant's digital storefront to also be used in other content like print materials, as our client GLO Skin Body is currently doing. This is enabled through an integration we've built with Retain.me, and works by empowering clients to:

- **Access data gathered by Nosto through a token**
- **Obtain the ID of on-site recommendation**
- **Enter the data and ID into their system (Retain.me)**
- **Print the images of the pulled products onto their material**

Pretty neat, right?



New to personalization?

Don't worry, mirroring your on-site personalization efforts with physical promotions isn't your typical starting point! But what will help is quick-win ideas to get you on the road to better ROI—such as setting up Best-Sellers and Trending Now features. Not only are these a great way to target first-time visitors (most likely the majority of your traffic) but they also work well pretty much anywhere on your site.

There are plenty of best practices to learn, too. For instance, making sure you set up fallbacks for any personalized campaigns when the data required for them simply isn't available. For example, you might have a Recommendation feature that surfaces your shoppers' recently viewed items—but what if they're yet to click on any products? You need a plan B, such as surfacing your Best-Sellers in these instances.

Repeat purchases made easy with hyper-personalization

While the metaverse is still in the process of emerging, one thing is certain: hyper-personalization will be a major theme.

In the VR world, we're already seeing its close relative: customization. You create your avatar, set up your virtual home, and choose your favorite apps. Why? Because it's all about making the experience personal to us.

Although hyper-personalized virtual experiences are a long way off, there are plenty of real-world examples that come to mind. Picture your local coffee shop. You go there every day, the baristas know your name, and they might even start getting your drink ready right as they see you walk in.

Isn't this one of the most personal experiences a brand can deliver? They know what you want (your drink) and they know when you want it (as soon as you come through the door).

What if that same level of hyper-personalization could exist in the world of e-commerce?

Let's stay with the above example. Swap out "coffee shop" for "your favorite coffee brand," then swap out the barista for some clever automation technology that knows what people want and when they want it. Repeat is that technology.

Customers can easily order their favorites with Repeat

Our tool allows CPG brands to easily create personalized shopping carts that are preloaded with the products that customers are due to reorder. The result is a smooth e-commerce experience that makes repeat purchases easy for customers and simple for brands to execute.

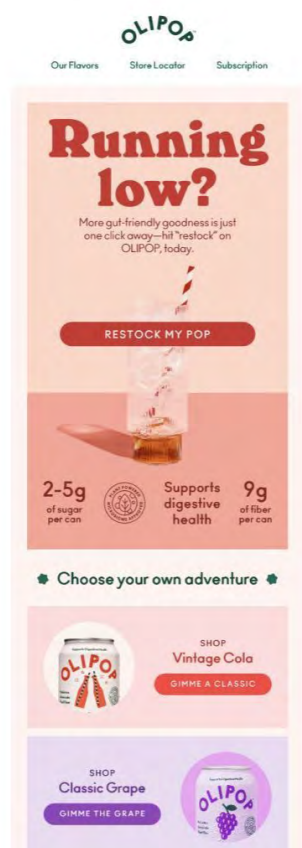
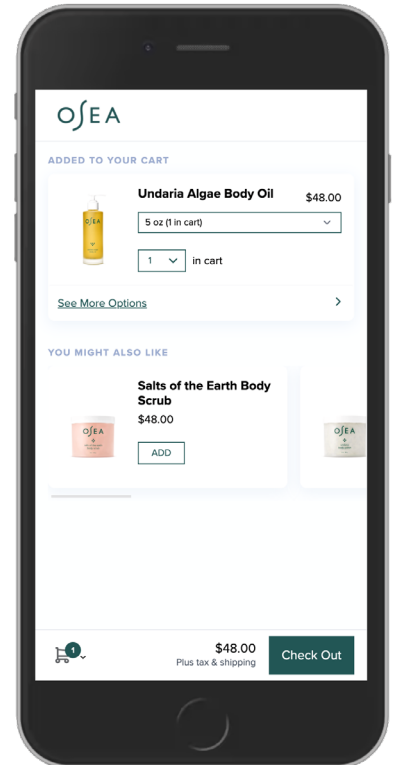
When a customer buys your products, they are giving you all the data you need to hyper-personalize the experience: they've told you what they like. That's why it's an easy sell when the barista asks if you want the usual.

Sometimes I put off repurchasing from DTC brands because I'm like, "ugh I don't want to spend as much time on-site looking at other products."

If I had a link to a full cart on this stuff I would be broke.

Likewise, that's why it works for Repeat's brands when they integrate our solution into their SMS and email efforts. Send a link and customers can pull up their personalized cart on-demand. From there, they are just a few clicks away from restocking their favorites. Repeat knows what customers like (based on their order history) and knows when they will likely want to buy again based on product type and typical purchase intervals. The result is a hyper-personalized shopping experience come true.

While many brands are spending a ton of money and time to track customers and pin down the best workflows to get customers to repurchase, brands like OLIPOP are using Repeat to meet customers where they are—thirsty for more of what they love.



Why deploy headless commerce for a seamless, immersive, and hyper-personalized customer experience?

At last count, there were about **2.5 million online retailers in the U.S.** alone and over nine million globally, according to Etailinsights.¹⁴ So narrowing the search down to, let's say, running shoes for men yields over 500,000 results from a range of established and emerging brands.

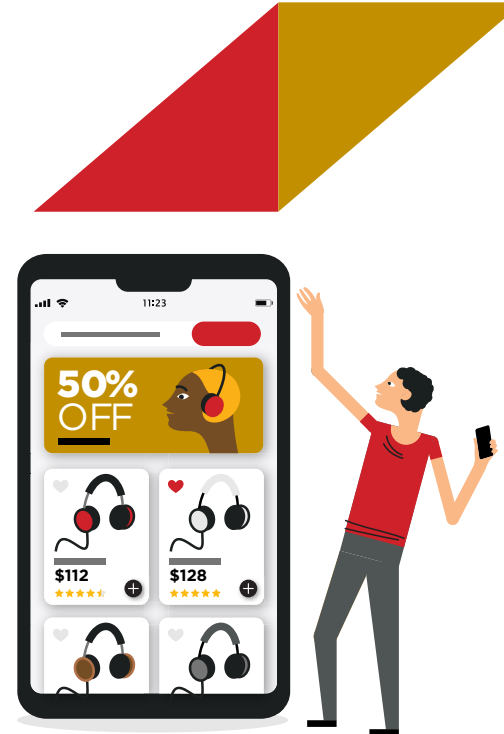
If the competition alone wasn't challenging enough for merchants, the similarity of their offering online has created "a sea of sameness." E-commerce platforms, plug-and-play integrations, marketing automation, and third-party logistics have enabled online merchants to offer similar bundles of benefits, like next-day delivery, free shipping and returns, social proof, loyalty rewards, and seamless customer service experiences via channels such as live chat, text, and messenger.

With so many substitutes, how does your brand stand out?

In this sea of sameness, winning against online competitors comes down to providing a positive, seamless, and personalized customer experience across the customer journey. According to Forbes, companies that lead in customer experience outperform laggards by nearly **80%**, and **73%** of consumers say a good experience is key in influencing their brand loyalties.¹⁵

Enter: headless commerce

A headless development approach provides e-commerce businesses with a significant competitive advantage over those on a traditional e-commerce stack because of much faster load times and the ability to create memorable storefronts that customers love and keep coming back for more.



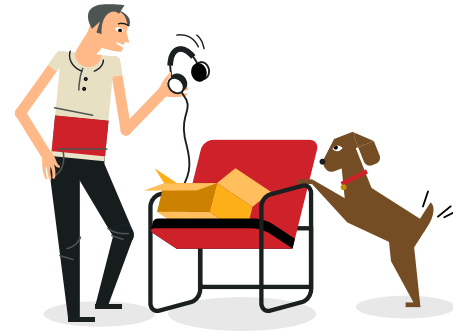
But wait, what is headless commerce?

Simply put, headless commerce is a development approach in which there is the separation of the front and back end of an e-commerce platform, providing merchants with the flexibility to craft a highly customized and seamless omnichannel customer experience on any digital device. The architecture of a headless build can also lend itself to particular operational efficiencies if your business warrants it in size and complexity.

Hyper-personalized and omnichannel shopping experiences

The ability to personalize shopping experiences with headless commerce allows merchants to leverage data to surface relevant content and recommend relevant products that drive customer conversions.

As an API-driven approach to development, headless commerce enables exchanging data, which means brands can collect and aggregate customer data from different touchpoints and upgrade analytics solutions to receive better customer insights.



Increasing demand for headless

Here at **Tidal Commerce**, we have seen an uptick in clients embracing headless commerce technologies as a solution to differentiate.

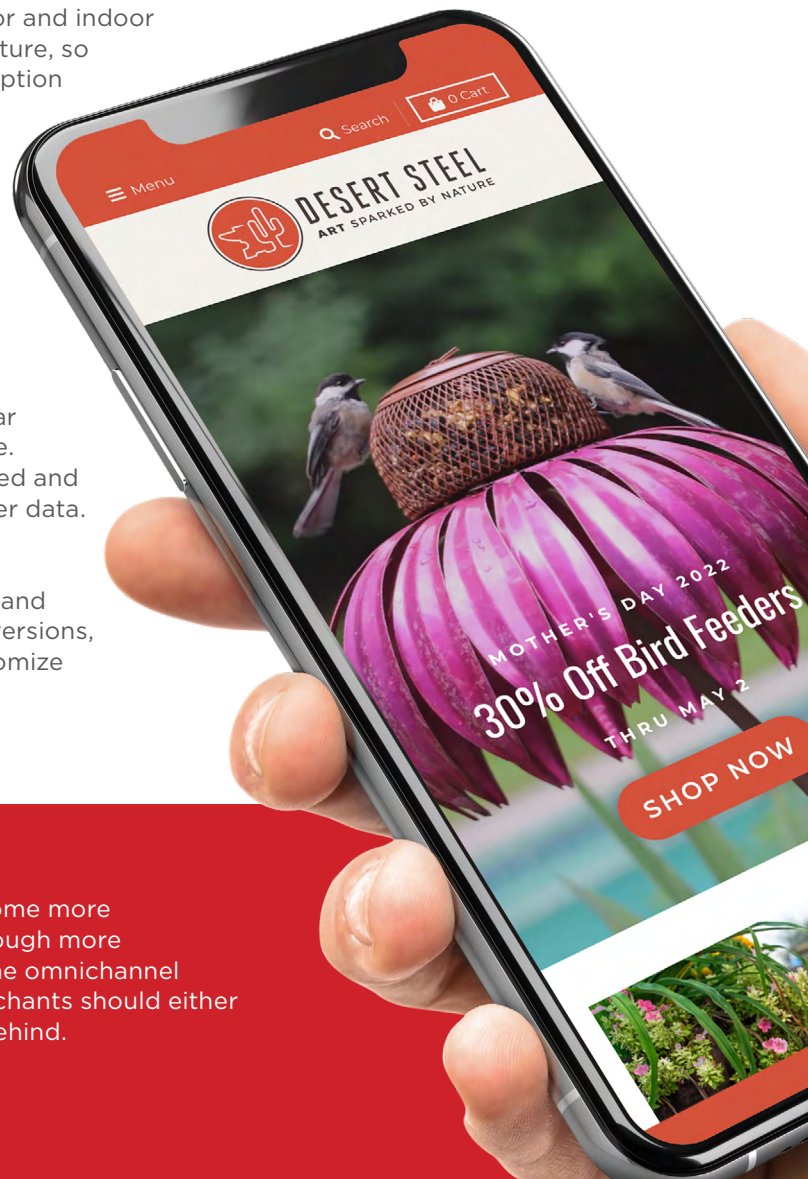
Desert Steel, a U.S. client, sells premium handcrafted outdoor and indoor ornaments. These ornaments are works of art inspired by nature, so providing a cookie-cutter shopping experience was not an option in the long run.

This is why Desert Steel is deploying a headless frontend to enable its customers to see the beauty of their products with tastefully laid out immersive interfaces that they can interact with at blazing speeds.

Using customer behavior data, the brand can cross-sell and upsell relevant products to customers in a tasteful manner.

In Canada, October's Very Own (OVO), a high-end streetwear brand, is rebuilding its online stores with headless commerce. Tidal and SIX, our design partner, have crafted a differentiated and customizable user experience with headless, powered by user data.

With its agile nature, headless commerce allows trying, A/B testing, and experimenting with different experiences easily and quickly. By viewing what content creates the most lead conversions, businesses better understand customer needs and can customize experiences on all localized storefronts.



In Conclusion

Headless commerce helps online businesses to become more competitive, attracting more organic customers through more up-to-date, engaging content while offering them the omnichannel experience they expect. For that reason, online merchants should either adapt to these new technologies or risk being left behind.

What's in your e-commerce personalization strategy?

Online customers are more likely to purchase from a merchant that gives them a personalized experience. Combined with a solid e-commerce strategy that takes into account personalized marketing and customer service, brands can leverage web development technologies like voice search and responsive website design to create rich, immersive, and hyper-personalized shopping experiences.

Here are a few examples of how Ryder fulfillment customers are enriching the customer experience of their brand:



A fresh take on personalization

TRUE BOTANICALS

Shoppers can take a customized quiz to find products best suited to their skin type, and subscribe to an auto-ship of their preferred products through the membership portal, as well as receive discounts, free product samples, and free shipping with their membership.

MODA OPERANDI

With a simple email, customers can get connected with a Moda Private client advisor who tailors a luxury shopping experience to fit their needs. Shoppers receive access to services such as style edits, private trunk shows, and showroom or in-home appointments.

PEPPER

Shoppers can reference an extensive online bra-fit sizing guide and receive personalized customer service with assistance from a human-powered chatbot. Shoppers may discover the lingerie brand through the social media pages of a Pepper brand ambassador, and buy products via their affiliate link.

Website accessibility

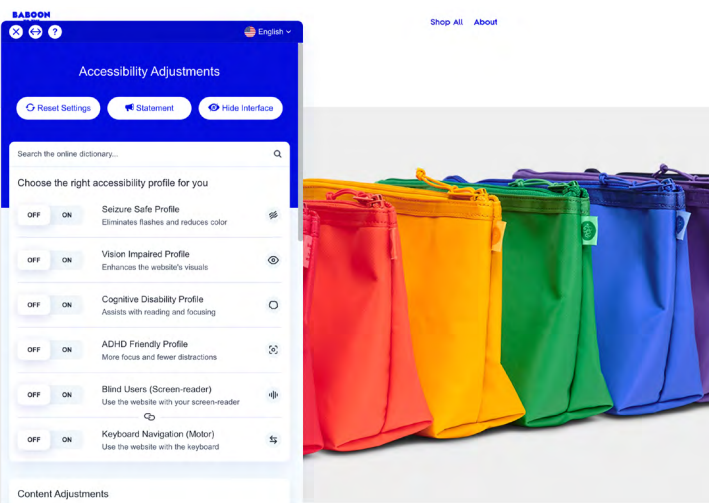
Many brands are enhancing their websites to meet recently updated accessibility guidelines. Website accessibility encompasses all disabilities that impact access to the web, including auditory, cognitive, speech, and visual, according to the World Wide Web Consortium (W3C).

BABOON

Posts website accessibility features clearly under its Web Accessibility page, which meets the Web Content Accessibility Guidelines (WCAG) 2.0 AA international standard developed through the W3C, in compliance with the Americans with Disabilities Act (ADA).

LARQ

Website visitors can select the blue accessibility icon that appears in the lower-right of each page to customize website features to make seizure safe, enhance visuals for the impaired, select their preferred language, or make other adjustments.



The retail metaverse expands what's possible for merchants

The metaverse, in all its forms and technologies, has multiplied what's possible for brands and retailers to deliver immersive, highly customized, and seamless customer experiences. The rapid digital transformation over the past two years has also expanded the range of practical and affordable solutions available to merchants as they adopt metaverse-style technologies.

Personalization and its digital-age counterpart, hyper-personalization, are proven to influence buying behavior across the consumer lifecycle. Brands and merchants that excel at digital customer engagement and personalization report higher revenues and customer retention rates, among other benefits.

Personalization is no longer about targeted online advertising campaigns but about meeting customers in their preferred channels and modes of communication. In light of the phase-out of third-party cookies that limit the ability of marketers to reach and target new customers on paid media channels, brands and retailers are seeking new ways to collect and leverage customer data (of all types) to personalize the customer experience across touchpoints.

From online customer journeys across platforms to offline personalization in-store and beyond, merchants are looking to deeper personalization tools to create hyper-relevant and engaging content, offers, and shopping experiences. When developing their personalization and hyper-personalization strategies, marketers need to consider the overall brand strategy, marketing and customer retention plans, and tech stacks.

Website personalization (including compliance to website accessibility guidelines), content personalization, personalized product recommendations, and replenishment campaigns are among the many types of solutions available today for merchants to incorporate into their strategies. Advanced e-commerce architectures and development approaches such as headless commerce are allowing merchants to leverage customer behavior data to create more immersive and engaging content in real-time.

As the metaverse continues to change and evolve, winning merchants will be those that make the best use of the customer data and information they have in real-time from a range of sources and channels, and deliver on meaningful customer engagement.



About Ryder System, Inc.

Ryder System, Inc. (NYSE: R) is a leading logistics and transportation company. It provides supply chain, dedicated transportation, and fleet management solutions, including warehousing and distribution, e-commerce fulfillment, last-mile delivery, managed transportation, professional drivers, freight brokerage, leasing, maintenance, commercial truck rental, and used vehicle sales to some of the world's most-recognized brands. Ryder provides services throughout the United States, Mexico, and Canada. Ryder is regularly recognized for its industry-leading practices in third-party logistics, technology-driven innovations, commercial vehicle maintenance, environmental stewardship, corporate social responsibility, world-class safety, and security programs.

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