

ISSUE 6 / NOVEMBER 2023

thread

meaningful, accessible human thinking

A new
instruction
manual for
commerce

Using data to
nurture real
customer
relationships

5 steps to
elevate your
customer
loyalty program

Pitch perfect

How modern brands
deliver harmonious
experiences

KIN+CARTA

Hello – welcome to issue 6 of

thread



Commerce is becoming less about transactions and more about interactions. Less about buying and selling and more about forming meaningful connections, understanding customer needs, and delivering exceptional customized experiences at every touchpoint.

In this edition of Thread, we'll explore the latest trends and innovations in commerce, including the power of personalization.

Personalization is no longer a luxury. And it's not just about dropping "personalized" tokens into your emails. Through advanced analytics and AI, brands can now gain valuable insights into customer behavior, enabling them to provide relevant and timely experiences.

We'll also be explaining how composable commerce is enabling businesses to design intelligent customer experiences with more flexible, agile tech stacks while controlling costs.

Lastly, we'll be looking into the role of data in creating meaningful experiences that foster loyalty and drive repeat business. We'll share examples of how businesses can leverage customer data to design targeted marketing campaigns, personalized recommendations, and loyalty programs that go beyond discounts and rewards.

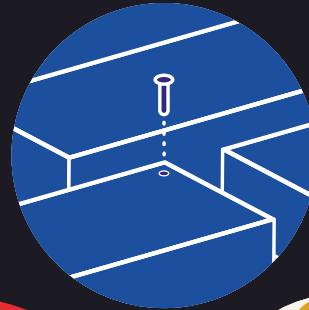
Customers today crave meaningful connections and interactions. How will that transform your brand?

Kami Kris

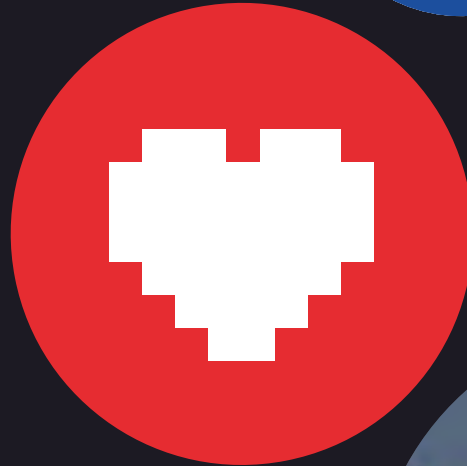
Managing Director of Commerce
Kin + Carta

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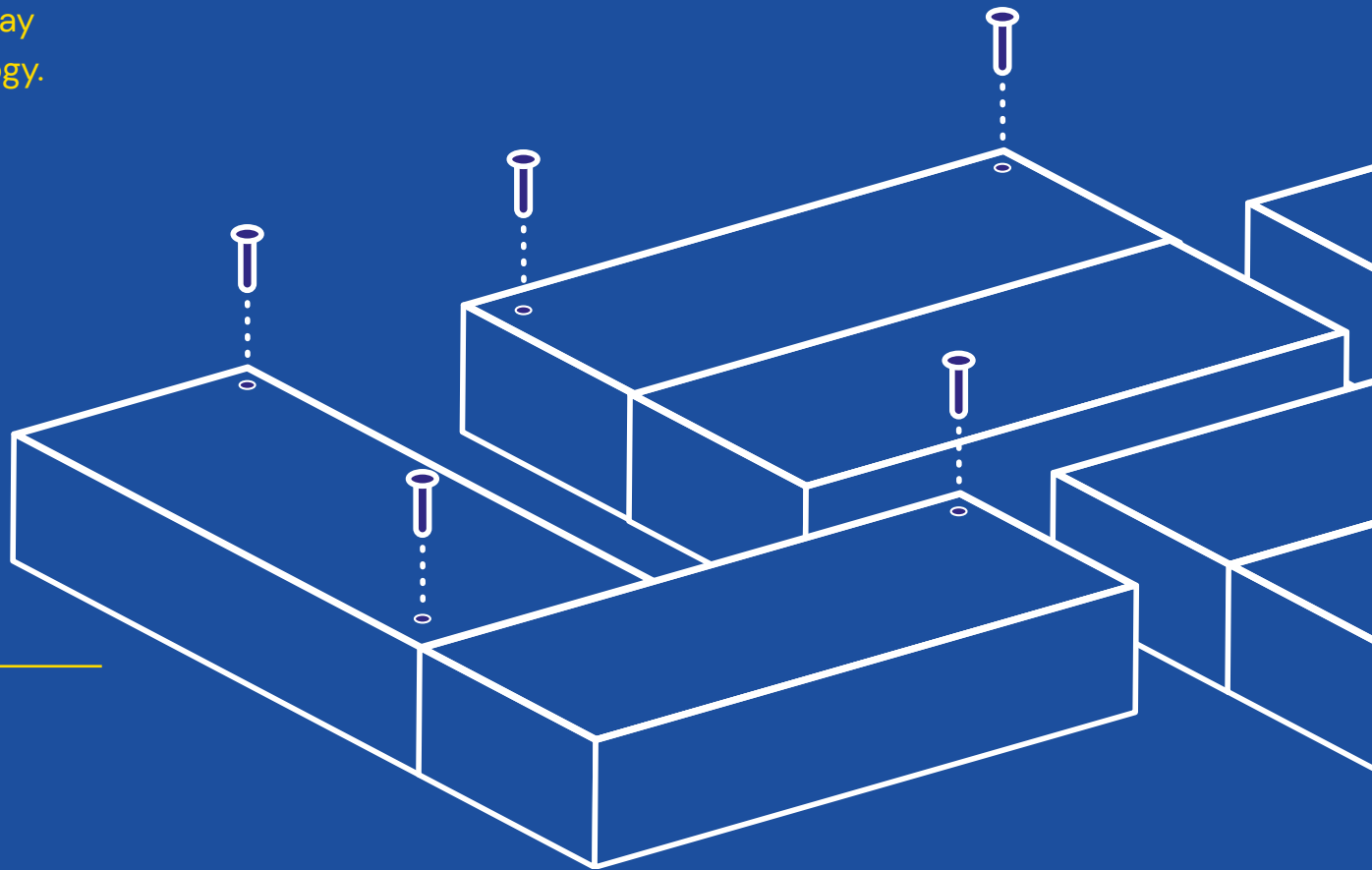
⑱ The way FWD

A new instruction manual for **commerce**

Designing intelligent customer experiences today requires a new set of guidelines—and terminology.

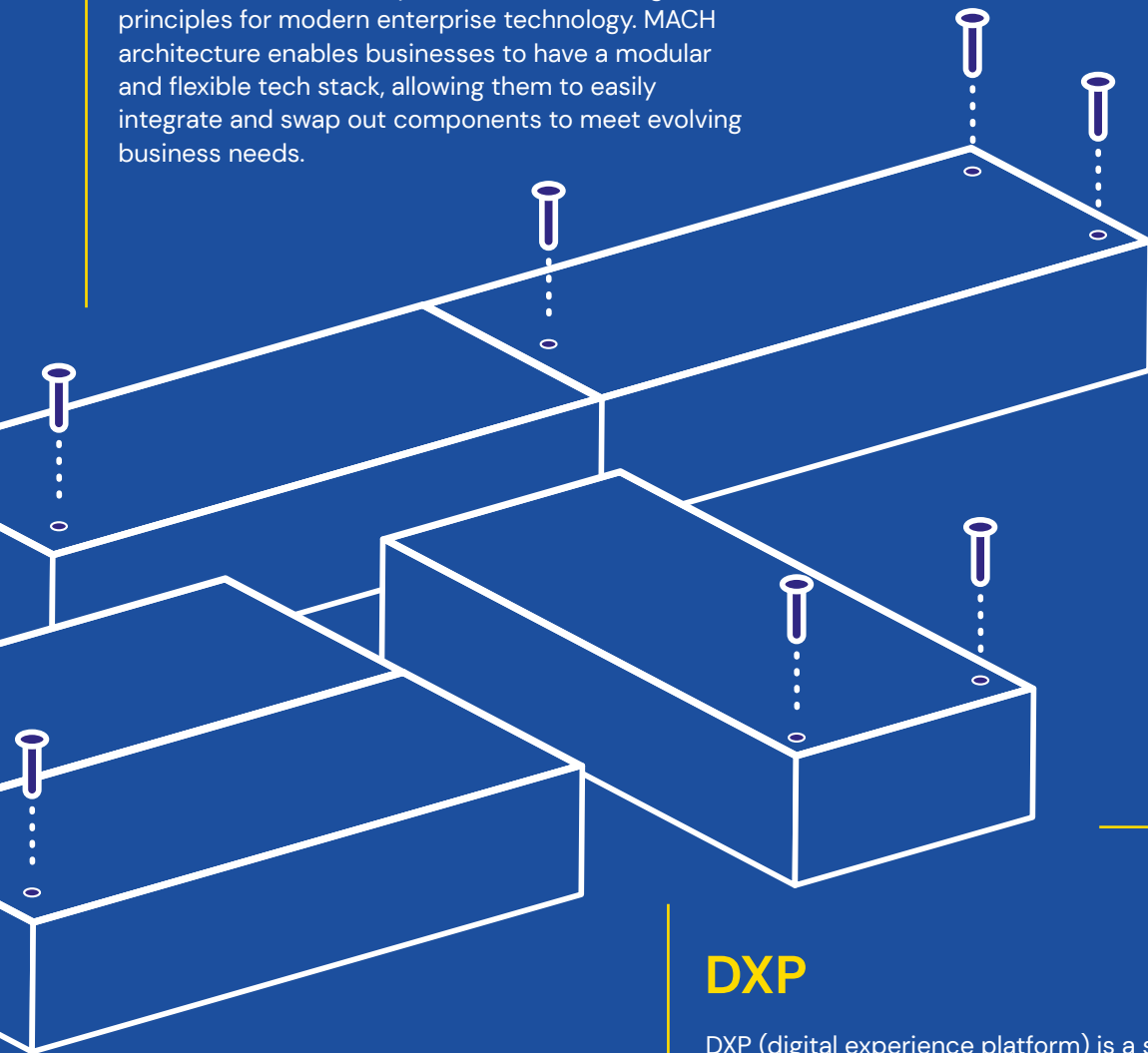
Composable

Composable architecture is a strategy that uses a mix of technology platforms connected via application programming interfaces (APIs) to deliver flexibility and scalability. It allows businesses to adapt and change their technology stack quickly and easily, avoiding being locked into products or services that don't serve their needs.



MACH

MACH stands for microservices, API-first, cloud-native SaaS, and headless. It represents a set of design principles for modern enterprise technology. MACH architecture enables businesses to have a modular and flexible tech stack, allowing them to easily integrate and swap out components to meet evolving business needs.



Headless

Headless refers to an architecture where a front-end (user interface—UI) is separated from a back-end (business logic) content management system. This separation allows for flexibility and agility in delivering content across channels and devices, enabling businesses to provide personalized and consistent experiences.

Microservices

Microservices is an architectural approach where applications are built as a collection of small, independent services that communicate with each other through APIs. This modular approach allows for easier development, deployment, and scalability.

DXP

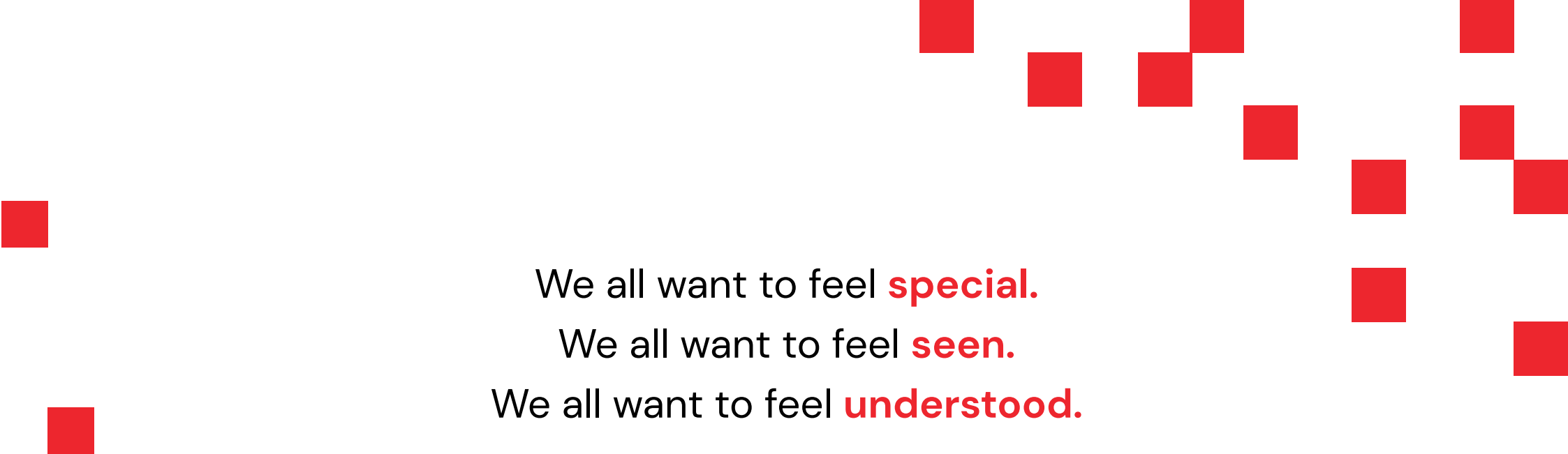
DXP (digital experience platform) is a software solution that helps businesses manage and deliver personalized digital experiences across multiple channels. It typically includes features such as content management, customer data management, analytics, and personalization capabilities. It enables businesses to create seamless and engaging experiences for their customers.



From crush to commitment

Using data to nurture real customer relationships

By Mark Collin and Nathan Ley



We all want to feel **special**.
We all want to feel **seen**.
We all want to feel **understood**.

Our customers are no exception.


The relationship between shoppers and retailers has transformed. Loyalty is no longer about rewards programs and discounts; it's about building relationships that reflect real-world needs and individual wants. The key to this very human desire for connection lies in data. By harnessing and connecting customer insights,

retailers can deliver meaningful experiences that spark lasting loyalty.

Organizations are waking up to this increasingly personalized future. Nearly 80% of companies plan to revamp loyalty programs in the next three years, according to a survey by Antavo, a loyalty technology provider.

But are they focusing their efforts in the right places?

Many retailers are sitting on a gold mine of unloved and underutilized customer data. You can have a great product and provide a great service, but without deep data insights, your efforts to build lasting loyalty are likely to fall flat.

A series of red squares of varying sizes are arranged in a diagonal line from the top left towards the center. Below the main text, there are three large, pixelated red shapes: a cross-like shape on the left, a larger irregular shape in the bottom left, and another large irregular shape in the bottom right.

By harnessing and
connecting customer
insights, retailers can
deliver **meaningful
experiences** that
spark lasting loyalty.

Data is already powering customer loyalty. Retailers who recognize this and embed a strong data foundation into their broader strategy are likely to succeed, even in the most competitive marketplaces.

Understand your 'best customer'

Personalization isn't always straightforward and many shoppers have been disappointed by their experiences. [Kin + Carta's State of Omnichannel 2023 report](#) found that 72% of consumers have never had a memorable, positive experience with a retailer in exchange for their data. Meanwhile, 23% of those signed up to loyalty programs said that the offers and discounts they receive aren't personalized enough.

This tells us that strong commerce foundations aren't enough; businesses must pinpoint and aggregate data to effectively segment their customer base and create targeted marketing campaigns that speak to unique interests and preferences.

The path to progressive personalization starts with a "best customer" mindset.

This means identifying a cohort, segment, group, or individual who represents your target consumer. Once you have this information, you can work forward and backward to model how to move customers along the “best customer path,” creating a deep understanding of the actions most likely to progress and deepen interactions.

For example, one of our clients, a leading beverage retailer, uses propensity modeling—a statistical approach that uses data to predict behavior—to analyze and optimize its rewards program. This approach helps the business to better understand and segment existing customers and consider various scenarios, such as whether the program incentivizes purchases in different categories by cross-selling without losing recurring sales.

Build progressive personalization

As companies compete for buyer loyalty, it's essential to focus on delivering more than an occasional discount—instead, providing holistic loyalty experiences

that maximize value. Consumers have access to a whole range of loyalty programs and offers; the retailers that stand out are offering benefits and experiences that tap into deeper needs.

For instance, Kin + Carta helped a digital broadcasting and streaming provider build increasingly personalized customer relationships, which have improved satisfaction levels and stabilized retention and subscription rates.

We created an intelligence hub using systematic data gathering and pipeline building to personalize “what to watch” recommendations. This drove a 113% increase in conversions, leading to a greater consumption of media. We've built on this approach to personalize a range of on-screen experiences—creating a truly holistic loyalty model at every touchpoint.

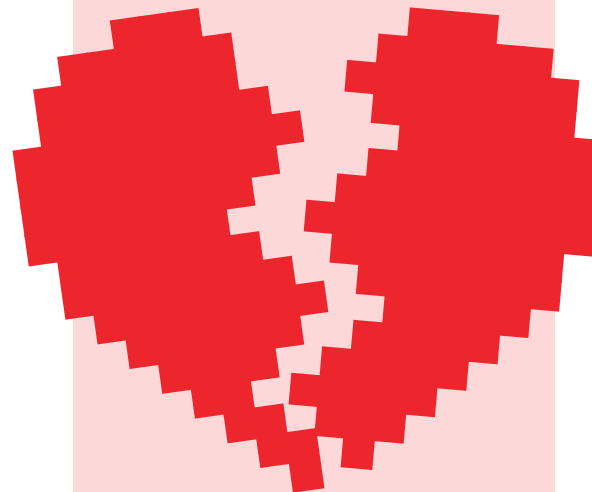
It shows that you don't need to (and can't) solve every customer data problem at once. Start small and keep moving to grow personalization and loyalty by improving data foundations across your business.

Accelerate speed to loyalty

Loyalty is built on trust. But retailers may not have time to nurture relationships over months or years.

72% of consumers have *never* had a memorable, positive experience with a retailer in exchange for their data.


Kin + Carta – State of Omnichannel 2023 report



They're under huge pressure in increasingly competitive marketplaces and need results now—so is there a shortcut to true customer loyalty?

The rise of instant digital experiences has led to shorter attention spans, creating opportunities and risks for retailers who want to capture and retain loyalty. They may be able to make an immediate impression with an in-app experience or hyper-personalized offer, but consumers always have one eye on the next best thing.

Brands should strike a balance between developing current relationships and attracting new ones. The answer lies in data. A deep understanding of existing customer behavior can strengthen existing relationships while creating a compelling reason for new shoppers to try out products and services.

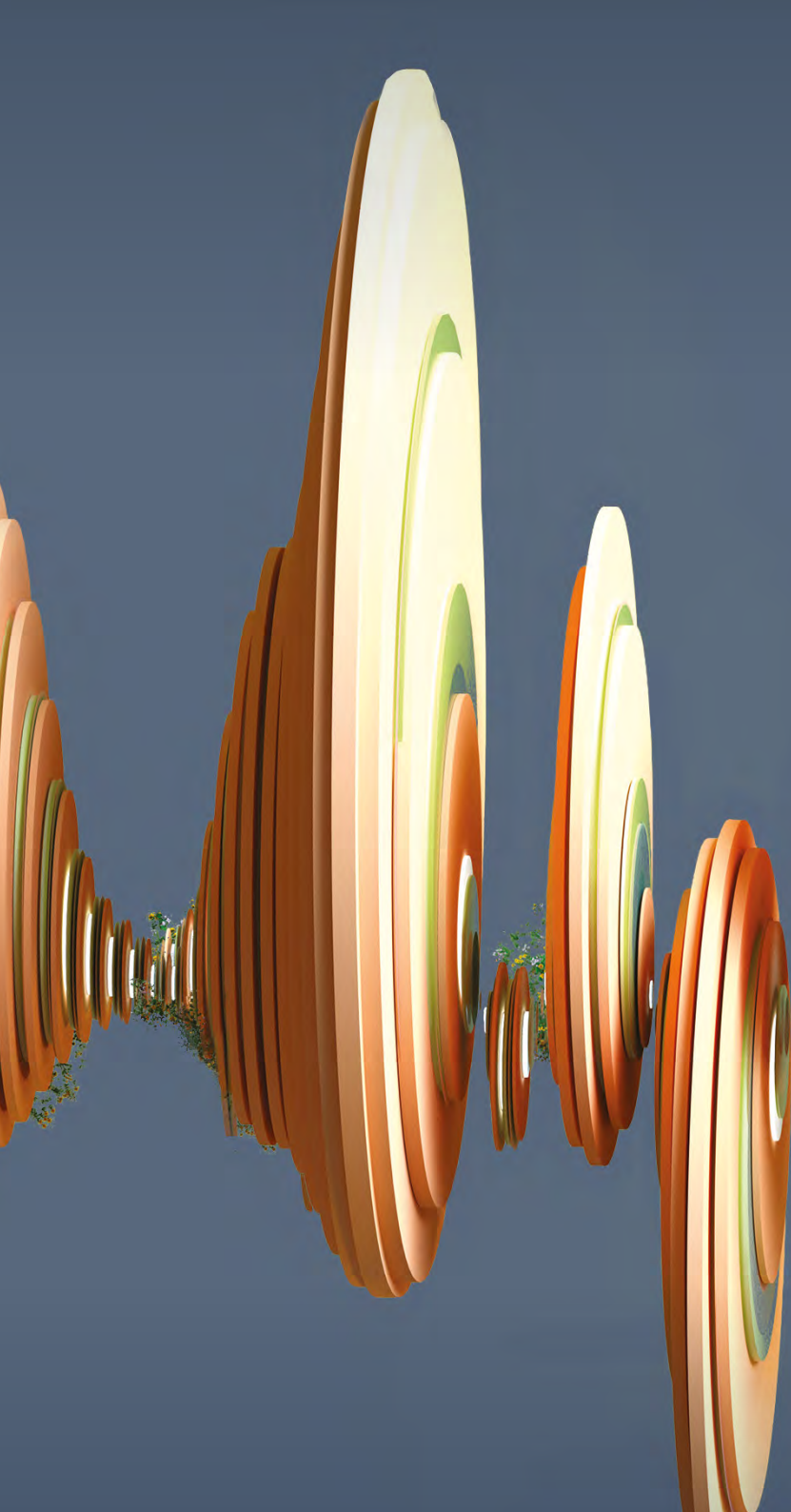
Retailers must treat customers as gifts. They must seamlessly solve issues to nurture ongoing connections. Loyalty is much bigger than discounts and reward programs. It's about delivering value, harnessing personalization, and fostering trust through experiences that are continually powered by and redefined by data. 



Pitch perfect

How modern brands deliver harmonious
customer experiences

By Jacob Beauchamp



Have you ever tried to buy something after seeing an eye-catching ad on Instagram or Facebook, only to face a clunky payment process? For millions of people, what should be an easy purchase turns into frustration—and a lost sale.

Seven out of 10 online shopping carts are abandoned, according to [Baymard Institute research](#). Meanwhile, 44% of shoppers in [Kin + Carta's State of Omnichannel 2023](#) report have been so frustrated with a retailer's digital channels that they decided to stop shopping with them.


Kami Kris, Managing Director of Commerce at Kin + Carta, says that nearly all consumers shop online, whether for personal items or as part of a business engaging with a complex B2B ordering process. One note rings true for all shoppers—they expect more. “Having a straightforward buying experience isn't setting the bar very high anymore,” Kris explains.

Delivering harmonious experiences today requires considering the customer's perspective at every moment across every channel. The goal is to orchestrate a symphony of touchpoints, each note combining for a compelling and cohesive customer experience.

Expanding the range of 'customer experience'

Commerce is in flux.

Instead of multichannel, we talk about omnichannel or unified channel. Instead of buying on desktop, we're mobile-first. Even the term “eCommerce” has less meaning today, as brand affinity spans channels (think buy online, pick up in-store).



Commerce is a broad category, so defining and designing the ideal customer experience will be different for a traditional retail brand compared to a direct-to-consumer (D2C) or business-to-business (B2B) company.

Traditionally, many consumer brands have relied on retailers to distribute merchandise. “That’s changing, with many brands increasingly choosing to have a direct relationship with their customer in order to better harvest and collect customer insights and data,” says Joe Woods, Managing Director, Commerce, Kin + Carta. “They can then feed that back into product line improvement or customer-targeted messaging.”

B2B commerce has also become more digitized and less dependent on field sales and high-touch sales cycles. Portal sites and product data systems help firms streamline product discovery by end users, internal customers, and third-party partners.

For electrical industry solutions provider Southwire, that meant revisiting the entire purchasing process from the customer’s perspective. “We had interviews. We polled them,” explains Dustin Davis, Director,

Inside Sales, Wire and Cable Support, Southwire. “We wanted to understand what they need, what they want, what they see.”

Southwire then made strategic investments to implement what they learned from those customer insights, while acknowledging that this type of evolution doesn’t happen overnight. Changes have included modernizing equipment to create a connected factory that enables data-driven demand planning and product availability. “In our core wire & cable market, we seek to lead the pack in terms of putting this digital capability in front of our customers,” Davis notes. And he’s quick to


point out how collaborative this work has been. A business transformation team helps facilitate the effort, but every function within the business contributes in some way: “From IT. From operations. From product management. From sales. It’s a very, very collective goal that we’re marching towards.”

Composing melodies for an audience of one

In exchange for sharing insights, consumers have come to expect highly tailored experiences that cater to their preferences and needs.

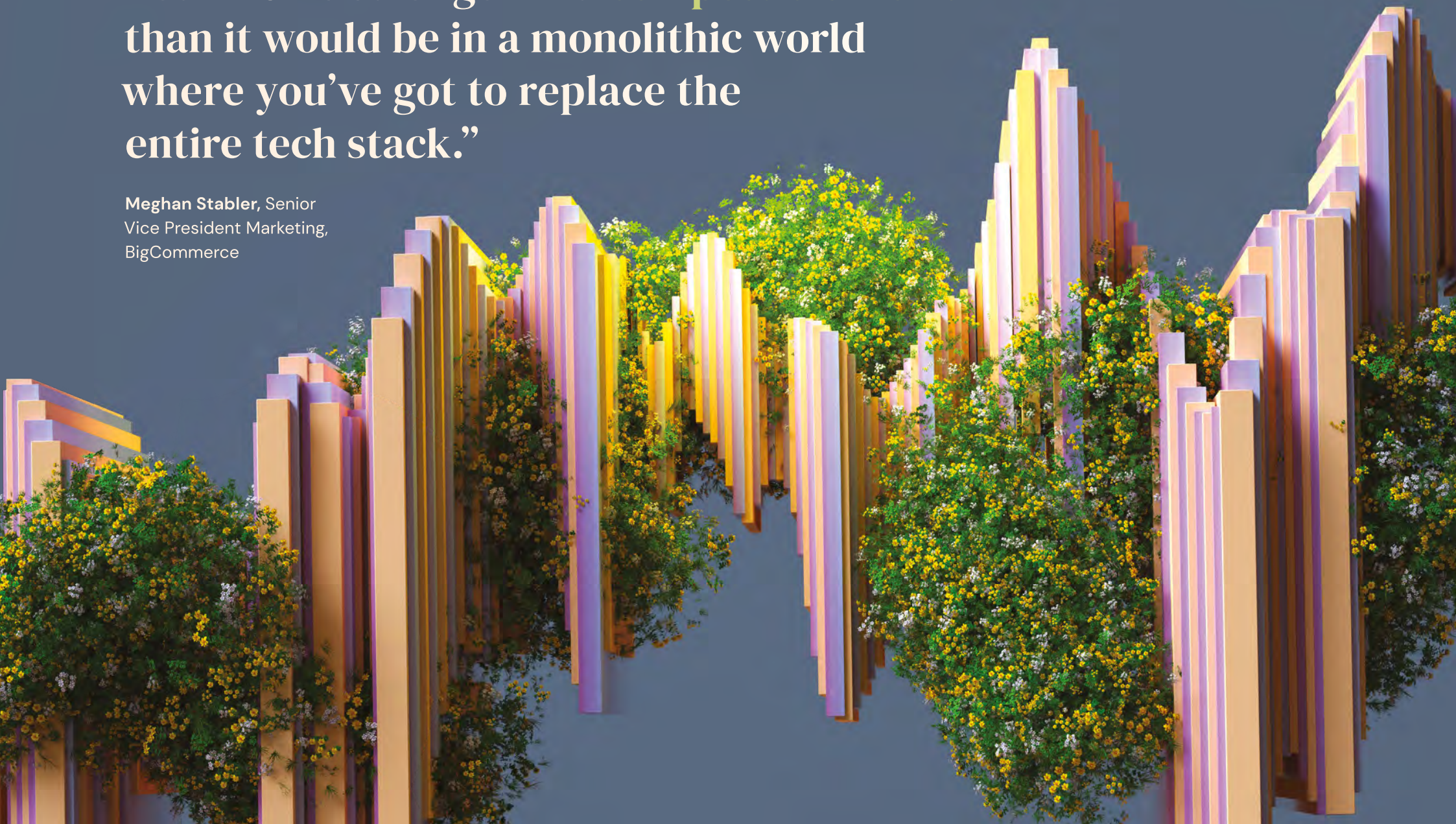
“In our core wire and cable market, we seek to lead the pack in terms of putting this digital capability in front of our customers.”

Dustin Davis, Director, Inside Sales, Wire and Cable Support, Southwire



“Your ROI is stronger in a **composable world** than it would be in a monolithic world where you’ve got to replace the entire tech stack.”

Meghan Stabler, Senior
Vice President Marketing,
BigCommerce





Personalization today is so much more than "Dear [First Name]" emails. It's about using advanced analytics and AI to understand customer preferences and shopping behaviors so you can deliver relevant and timely experiences while handling personal data responsibly.

That trade-off is top of mind for many, according to [research by CommerceNext and CommX](#). The survey found that 66% of consumers prefer to buy from stores that know their preferences, and 60% find value in relevant product recommendations. However, 87% also reported being very concerned about how retailers are using their personal information and data, with 67% saying they will only share data if they know it is being safely stored.

Progressive personalization is one way to close that gap, notes Matthew Hildon, Retail & Travel Portfolio Director, Kin + Carta. Instead of asking for pages of information upfront for someone to join a loyalty program, start with the basics: a username. Every additional request for data would be accompanied by an explanation of how that data would be used to benefit the consumer. "It's all about transparency and trust," Hildon says.

Successful brands also know they can't be everything for everyone. Instead, they focus on maximizing the value of every interaction in the best way for each individual based on their priorities and preferences. "Businesses need to be really intentional about how they are supporting the consumer. Not all consumers, but the consumer that they're targeting at that time. Personalized experiences matter," Kris says.

In many ways, the increasing sophistication of social selling represents the evolution of the commerce experience. Personalization and accurate targeting can transform mindless scrolling into an engaging shopping experience. This connection is crucial, as winning business on social media requires overcoming customer fears about authenticity, product quality, and proper delivery. Even the most trusted social selling platform, Facebook, has only [earned the confidence of 45% of buyers](#).

This is as true for B2B businesses as it is for B2C. Nearly two-thirds of B2B companies are investing in personalization and user experience, according to [research from Adobe and Digital Commerce 360](#). The survey also found B2B companies succeeding with

66% of consumers prefer to buy from stores that know their preferences, and 60% find value in relevant product recommendations.

Research by CommerceNext and CommX

AI-powered search results that are personalized based on the user's on-site behavior. This personalization extends to product recommendations, customized payment, and shipping options—a harmonious ensemble of touchpoints that creates lasting impact.

Hitting all the right notes together

Today's brands need to go beyond individual interactions and deliver fully holistic experiences.

Going off-key will be swiftly punished; 86% of shoppers surveyed by Emplifi will leave a trusted brand after only two poor customer experiences. And 1 in 6

shoppers won't give any grace, abandoning purchases after a single bad experience. The same goes for fulfillment. Getting orders right is table stakes. The real challenge is in delivering moments of delight that truly engage customers.

"The next wave of maturation is about service design," says Adam Schanfield, Vice President, Strategy and Innovation, Americas, Kin + Carta. "Think about every customer touchpoint and where you need to weave consistency between them to create a unified commerce experience. The customer is always the priority, not what channel they're in."

Designing a unified commerce experience requires establishing a strong foundation of data that can be used to drive operational efficiencies, improve targeting, and create hyper-personalized shopping experiences. From there, brands can unleash digital capabilities to improve the customer experience—applying machine learning for personalized product recommendations or leveraging AI for automatic price optimization and demand forecasting.

The rise of "composable commerce" is enabling businesses to make this leap faster while controlling costs, says Meghan Stabler, Senior Vice President Marketing at BigCommerce. MACH (microservices, API-first, cloud-native, and headless) architecture allows you to swap in the components that you need when you need them. "Your ROI is stronger in a composable world than it would be in a monolithic world where you've got to replace the entire tech stack."

A symphony of touchpoints

Delivering a harmonious customer experience has become the key to success for brands across industries. As consumer expectations continue to rise, businesses must go beyond simply

providing a straightforward buying experience. They must orchestrate a symphony of touchpoints, seamlessly blending online and offline interactions, and creating personalized, emotional connections with their customers.

By understanding the customer journey and identifying pain points, brands can fine-tune their strategies to meet individual needs. Consistency across channels, both in messaging and visuals, ensures a cohesive brand identity that resonates with customers. Empathy and emotional connection become the driving force behind exceptional customer service, while the integration of offline and online experiences creates immersive moments that leave a lasting impression. □



The road to gold

5 steps to elevate your customer loyalty program

Define your
'best customer'
—building a deep
understanding to
drive future action.

1

Choose one area of the
funnel to begin—attraction,
engagement, or retention—
and focus on **quick wins**
to fuel long-term success.

2



Define a backlog
of **clear
experiments**
to test in
production.

3

4

Give your product
teams the **tools
they need** to
build, measure,
learn, act, and
automate.

5

Focus on customer
and marketing
data to identify
areas where
**AI can deliver
real value.**



The way FWD

**Matthew
Hildon**



Retail & Travel Portfolio
Director, Kin + Carta

The ever-evolving world of retail is at a crossroads. Generative AI, powered by rich omnichannel data, is raising shopper expectations. As someone who closely tracks these trends, I'm excited by the opportunities and challenges ahead.

Personalization is now table stakes. It's no longer a nice-to-have but an expected part of the customer experience. Pioneers like grocery retailer Tesco have raised the bar with hyper-personalized offers tailored to individual purchase histories using both offline and online data. However, the next frontier of personalization will also be about flexibility. Customers want control over how brands engage with them. Retailers can delight customers with toggled experiences—allowing shoppers to switch personalization on and off and choose between inspiration and immediacy.

Artificial intelligence will continue to be transformative. Within three to six months, we'll see AI powering capabilities like dynamic product descriptions at scale. This will free up human talent to focus on

strategic work while delighting customers with rich product information. We must ensure AI is carefully governed to avoid potential privacy overreaches. Simplified, transparent communications around data usage will be critical to maintaining trust and generating buy-in.

Loyalty programs are also primed for innovation as leading brands move to integrate rewards ecosystems. Imagine earning points across grocery, fuel, entertainment, and more within a single network. This holistic approach could see customers engaging more frequently than with traditional loyalty programs, driving real engagement through attainable rewards. Beyond points, exclusive access remains a powerful loyalty motivator.

While large platforms satisfy urgent needs efficiently, boutique experiences will meet our desire for inspiration. The future lies in balance—offering everything to everyone through an adaptable omnichannel model. It's an exciting time for retailers and customers as commerce becomes increasingly intelligent, integrated, and human. □

The background of the slide is a vibrant, abstract composition. It features a series of overlapping, three-dimensional rectangular blocks in various colors including shades of orange, yellow, purple, and pink. These blocks are arranged in a way that creates a sense of depth and movement, as if they are floating or stacked in a dynamic fashion. Interspersed among these geometric forms are clusters of small, bright yellow flowers with green foliage, adding a natural and organic element to the otherwise synthetic-looking design. The overall effect is one of modernity and creativity.

About Thread

Thread is published by Kin + Carta, a global digital transformation consultancy committed to building a world that works better for everyone.

Our 2,000 consultants, engineers, and data scientists bring the connective power of technology, data, and experience to the world's most influential companies, helping them to accelerate their digital roadmap, rapidly innovate, modernize their systems, enable their teams, and optimize for continued growth.

As a certified B Corp, our triple bottom line focus on people, the planet, and profit is at the core of everything we do.

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Building a world that works better for everyone.