

COLUMNS

8 terms that luxury brands must know to revolutionize their customer approach

July 29, 2015



Matt Dion is vice president of marketing at Elastic Path

By **Matt Dion**

Do you know the difference between "contextual commerce" and "experience-driven commerce"?

What about an API?

Is your iBeacon stuck behind your Big Iron?

The customer experience industry is full of terms and concepts that can be difficult to decipher.

With customer experience becoming such an important part of our daily lives, taking the time to understand new phrases can help you drive digital strategy at your organization.

Here are eight key terms and phrases to help you become a customer experience industry insider:

Application Programming Interface (API)

In a nutshell, an API is how one system communicates with another.

An API has become increasingly important due to mobile applications, Web site interfaces and everyday objects a la the Internet of Things that are revolutionizing the retail industry.

These channels are creating an unprecedented focus on the API as developers work to connect devices and interfaces to create seamless and consistent shopping experiences. Experts call this trend an API-first strategy.

Understanding the business benefits of an API-first strategy helps chief marketing officers lower project risk and increase revenue.

Check out the blog run by noted API expert Kin Lane (<http://apievangelist.com/blog/>) for more information about APIs.

Contextual commerce

Marketers often talk about "pinpoint marketing" where the right message can be delivered to the right person at the right time, with the highest degree of personalization.

Rather than the old-school aim of advertising, marketers can use contextual technologies to detect interest and desire of a consumer and use that information to grab attention and inspire action.

Here is how the book *Age of Context* defines context:

"Context is about how we relate to everything around us. It has to do with what we take in with our five senses: sight, hearing, touch, taste, and smell, and how what we perceive with them affects the situations we find ourselves in. It

hearing, touch, taste, and smell, and how what we perceive with them affects the situations we find ourselves in. It influences the choices we make, based on what's going on around us and what we expect or want to do next."

Experience-driven commerce

Coined by the digital marketing experts at Adobe, experience-driven commerce is perhaps one of the hottest trends in ecommerce today, especially for luxury and fashion retailers.

Experience-driven commerce is a fusion of digital marketing, content, analytics and data, with commerce and transactions to support the entire customer lifecycle. It is emotionally connecting with the customer in a digitally enabled way through personalized, immersive experiences across any channel.

Think of it as inviting customers into a visually compelling brand story that blends rather than siloes the transactional checkout component.

Experience-driven commerce uses a new customer journey that combines content and context with commerce. This approach is something that the antiquated catalog ecommerce store of days past just cannot offer.

Mobile mind shift

Coined by Forrester Research analysts Ted Schadler, Josh Bernoff, and Julie Ask in the book "The Mobile Mindshift," this phrase refers to a world where the new battleground for customers is the mobile moment.

The authors posit that the mobile phenomenon has created a Pavlovian response in mobile users the expectation that I can get what I want, anytime, in my immediate context.

The scary truth is that most companies are simply not ready for the mobile moment.

To deal with this, CMOs must put mobile experiences at the forefront of everything they do.

Omnichannel

This is one of the most popular buzzwords in the retail industry today.

An omnichannel strategy, or omnichannel experience, offers an interconnectedness between every touch point from the perspective of the consumer.

What distinguishes the omnichannel customer experience from the multichannel customer experience is the true integration between channels on the backend.

For more information about omnichannel, visit Get Elastic at <http://www.getelastic.com/omnichannel-vs-multichannel-and-the-store-of-the-future/>

Organizational silo

A silo refers to the real or imaginary divisions within a company that hamper digital innovation.

Historically, the dominant approach to digital transformation has been for companies to create a "digital" team, separate from stores, branches, marketing or operations.

Often, organizational silos extend to the executive C-level. Case in point: chief information officers have always managed the technology, while CMOs are in charge of branding and market messaging.

With experience-driven commerce, this is no longer the case.

Technology trends are influencing how consumers buy and how businesses sell. As a result, silos must be eliminated.

Organizations must shift their structures to align themselves with how customers act in a new world obsessed with digital experiences. This may require a full reorganization while or simply defining new roles and accountabilities.

Personalization

Personalization means providing a unique experience to each customer based on his or her wants and needs.

Product recommendation engines do a decent job of personalizing a user's experience, but they only leverage on-site context such as profile, clickstream and purchase data, often within a single or a handful of visits until the customer clears cookies or changes devices, for example.

Marketers now have access to much more contextual information and should seek to combine personalization with contextual strategies.

Single view of the customer

A so-called "single view of the customer" remains illusive but is highly desired among marketers.

A single view of the customer allows businesses to envision a complete customer profile, regardless of how that customer chooses to interact with a brand.

Most often, organizations struggle with obtaining one view because they do not have supporting data strategies in place.

Other barriers to a single view of the customer include siloed organizations and lack of an API strategy.

BY LEARNING THESE eight terms and phrases, you should be ready for your next C-level meeting with a better understanding of the latest trends in the commerce industry.

Matt Dion is vice president of marketing at [Elastic Path](#), Vancouver, British Columbia, Canada. Reach him at matt.dion@elasticpath.com.

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