

# Reinventing the Future of Retail with the Informatica Intelligent Data Management Cloud



### **About Informatica**

At Informatica (NYSE: INFA), we believe data is the soul of business transformation. That's why we help you transform it from simply binary information to extraordinary innovation with our Informatica Intelligent Data Management Cloud™. Powered by AI, it's the only cloud dedicated to managing data of any type, pattern, complexity, or workload across any location — all on a single platform. Whether you're driving next-gen analytics, delivering perfectly timed customer experiences, or ensuring governance and privacy, you can always know your data is accurate, your insights are actionable, and your possibilities are limitless. Informatica. Cloud First. Data Always™.

## Table of Contents

|   |    |
|---|----|
| Adapting to a Rapidly Evolving Retail Landscape .....                   | 4  |
| Delivering a Superior Customer Experience .....                         | 4  |
| Boosting Omnichannel Retail with Personalized Experiences .....         | 5  |
| Establishing Supply Chain Continuity & Better Supplier Relationships .. | 7  |
| Ensuring Compliance with Data Protection Standards and Laws .....       | 8  |
| How Retailers Are Succeeding with Informatica .....                     | 9  |
| How Informatica Can Help Make Your Company “Data-Ready” .....           | 10 |
| Next Steps .....  | 10 |

Just a 5% increase in customer retention produces more than a 25% increase in profit.<sup>3</sup>

## Adapting to a Rapidly Evolving Retail Landscape

Many retail industry analysts agree that in the coming decade, enabling a highly engaged customer experience will be the leading brand differentiator for retail organizations, and convenience is the underlying driver related to customers' expectations leading up to a buying decision. Brands and retailers are increasingly focusing on creating that unique customer experience for developing their competitive advantage and know that they must grow their digital capabilities to unleash such a powerful business transformation.

Digital transformation is an urgent initiative for retail organizations, which are under pressure to adjust and deliver to sudden shifts in market conditions spurred by the COVID-19 pandemic and its aftereffects. According to a recent Accenture study, more customers than ever — including some of the previously most resistant segments — are shopping online, with Accenture's research suggesting there'll be a huge increase of 169% in ecommerce purchases from new or low-frequency users.<sup>1</sup> To accommodate these changes in buying behavior, retailers have had to quickly spin up new services by modernizing their applications.

## Delivering a Superior Customer Experience

Customer experience is the biggest contributor to brand loyalty, with a negative experience being the most significant factor affecting a customer's likelihood of making a repeat visit. While promotions and offers can certainly contribute toward helping customers feel like they are special, the real key to an outstanding experience is personalization.<sup>2</sup> Getting to know customers from their previous interactions, purchases, and interests can help retailers drive loyalty.



<sup>1</sup> [https://www.accenture.com/\\_acnmedia/PDF-168/Accenture-Store-Tomorrow-POV.pdf#zoom=40](https://www.accenture.com/_acnmedia/PDF-168/Accenture-Store-Tomorrow-POV.pdf#zoom=40)

<sup>2</sup> <https://www.demandgenreport.com/resources/infographics/2019-trends-in-personalization/>

<sup>3</sup> <https://www.retailcustomerexperience.com/blogs/2022-predictions-4-ways-retail-customer-engagement-is-poised-for-change/>

“We want to make sure that no matter which Discount Tire store or channel a customer enters, we know who they are and what vehicles they own. Informatica makes this easy by consolidating all the data about a customer into a single master record, then distributing it to various applications.”

— Gary Desai, CIO,  
Discount Tire

In 2022, 60% of shoppers said they prefer online grocery shopping to their old way of shopping, compared to just 45% in November 2020.<sup>4</sup>

Personalized content and offers can be delivered via the customers’ preferred contact method — even a personalized email subject line can make a world of difference — anticipating their wants and needs and guiding them toward their next purchase.

However, an inability to deliver a complete view of trusted and timely customer data can make it difficult to identify customers and provide personalized offers from loyalty programs, point-of-sale transactions, online sales and responses to promotions. In addition, social media interactions, online reviews and calls into the call center may be ignored because the data related to these activities is unstructured and complex. This can lead to a disconnected consumer experience across channels, eroding customer loyalty.

Creating a data-driven customer experience means you can use relevant and trusted data to create an intelligent 360-degree view of your customer that resonates across your organization and is delivered to the teams that need it, where they need it — in their systems, channels and functions. To create an even more powerful view of your customer, you can apply hybrid matching algorithms that mimic an expert human user to add real-time information to existing customer profiles — such as social, email, click stream, chat, analytics or survey data.

### Boosting Omnichannel Retail with Personalized Experiences

The pandemic brought many changes in consumer demand, spending style, saving patterns, shopping habits and buying channels. COVID has significantly accelerated the shift toward digital channels, including social, mobile and ecommerce. As more people became vaccinated and physical stores reopened, the explosive ecommerce growth rates of 2020 declined somewhat. However, shopping habits have permanently changed, with a bias toward online shopping still being at a higher level than pre-COVID. Business leaders must continue with their plans for digital transformation and must scramble their options of operating and making profits in the post-COVID digital era.



<sup>4</sup> <https://newconsumer.com/trends/consumer-trends-2022/>

“For us, data is capital. It enables us to be proactive in responding to market developments and optimize performance. However, getting complete, clean data on which to base business decisions requires an effective information management strategy.”

— Andrea Furegon,  
Head of Digital Innovation,  
Coop Alleanza 3.0

### Personalizing Product Experiences

A smoother, more personalized product experience helps attract and retain customers. Product Experience Management (PxM) defines how organizations are leveraging new technologies in this fast-moving digital environment to deliver distinct and engaging customer experiences — based on contextualized and enriched product content — as they research, shop for and buy products. When retailers can match product information with actionable customer insights, they are better positioned to deliver exceptional product experiences across all channels to increase customer loyalty, sales, and margins.

Customers are looking for retailers who repeatedly deliver an informed purchase journey, exceptional service, comfort and personalized offers. Digitization strategies that will help organizations improve their customer experiences include establishing digital channels and investing in quality data and better AI/ML models to predict customer demands. The right data can help retailers create an omnichannel experience that allows consumers to interact wherever and however they wish by incorporating real-time feedback across channels and devices — and engaging customers wherever they may be.

Omnichannel commerce is a sales and marketing approach that provides customers with a seamless shopping experience across all touchpoints. That means they have a consistent, unified experience whether they’re shopping on a company’s website, via a marketplace like Amazon or eBay, in a store, on a social media website, through a chatbot or in a catalog — and that experience continues if they switch channels. In the context of omnichannel commerce, the role of product information has become more important than ever. Today’s omnichannel product experience must be customer-centric, personalized, search-guided, and social-powered. To keep up with this rapid evolution in the buying experience, retailers must make sure they’re fully leveraging product information to create a new experience that attracts and converts shoppers.

## Omnichannel Commerce

Fuel all commerce channels with trusted product data



Companies with high environmental, social, and governance performance have outperformed their peers, achieving 3.7x higher operating margins and generating 2.6x higher shareholder returns.<sup>7</sup>

Retailers must also break down data silos in their retail channels and have data integration requirements in mind whenever a new system is added to a channel's operations. Data needs to be normalized and made universally available to all channels' operations. A strong product information management (PIM) solution can help retailers feed sales and marketing channels with trusted, relevant and consistent product content. It provides the foundation that enables retailers to collaborate and manage product content, creating a central platform to support an engaging omnichannel product experience.

Contextualizing product information or content means providing relevant product data that is dependent on what you know about a customer or channel activity (and on the information you can leverage). This could include a consumer's current device, language, market segment, demography, or location. In other words, the customer may see different products or service offers — with different levels of detail — all depending on the type of device they're using, the day of the week, the time of day, and their current location.

### Establishing Supply Chain Continuity and Better Supplier Relationships

Since the onset of the pandemic, most consumers have experienced out-of-stock items. Retailers need to increase supply chain flexibility and agility and also invest in supplier relationship management, as it can directly impact the customer experience and with that customer loyalty. According to a recent survey, 71% of consumers will switch brands or retailers when faced with out of stocks.<sup>5</sup> Ensuring supply chain continuity and building stronger supplier relationships have become a high priority for CPOs, CFOs, and supply chain executives. Consequently, they are investing in improving supply chain visibility and supplier experiences and automating workflows to ensure critical supply and address disruptions before they happen.

Sustainability is another pivotal factor in meeting consumer expectations. Responsible, transparent, and regional or local sourcing — along with sustainable practices — also plays a role for consumers as they select new vendors. Retailers need to ensure their suppliers understand and support their sustainability standards and ensure compliance by embedding targets into standardized workflows, such as the supplier onboarding process.

Leading retailers like PVH<sup>6</sup> are focusing their supply chain and marketing efforts around ecological and social sustainability and traceability, as they see this as an important driver for long-term success. Brands and retailers will need to gain consumer trust by providing trusted and relevant product, ingredient and sourcing data to create a unique and seamless brand experience.

Most supply chain and supplier management challenges are data-driven. Retailers need to be more agile in meeting changing demand, increasing the flexibility of their supply chains and getting a trusted 360-degree view of their supplier relationships.

<sup>5</sup> <https://www.mckinsey.com/business-functions/marketing-and-sales/our-insights/survey-us-consumer-sentiment-during-the-coronavirus-crisis>

<sup>6</sup> <https://www.pvh.com/>

<sup>7</sup> <https://www.accenture.com/us-en/insights/strategy/delivering-promise-sustainability>

On average, the cost of noncompliance is 2.65 times the cost of compliance. Ultimately, preparation and prevention are far less costly than regret.<sup>8</sup>

It's only when retailers have end-to-end insight into their supplier, product and customer data that they can get a better understanding of macro demand trends, enable rapid identification of alternate suppliers, improve collaboration and automate onboarding for faster time-to-market.

Failing to manage supplier relationships and information strategically can lead to a variety of undesirable outcomes, such as wasted resources, a lack of business insights, high procurement costs, slow time to market, missed opportunities, negative brand perception and even compliance issues.

In short, it can jeopardize a retailer's business, not to mention drastically increase their workload. For example, without a data-driven supplier relationship management solution and the capability to automate and streamline processes, onboarding a new supplier can take several weeks instead of days. Or, if you don't know who your suppliers and sub-suppliers are — and whether they comply with industry and sustainability standards — it may severely impact your business.



### Ensuring Compliance with Data Protection Standards and Laws

There is a growing movement to protect customers' rights to privacy, as demonstrated by the recent introduction of various laws, such as the General Data Protection Regulation (GDPR) in the EU and the California Consumer Privacy Act (CCPA) in the US. As privacy laws and regulations become more complex, it is becoming more of a challenge for retailers to comply. For this reason, any attempt to gather analytical data about customers should be done with careful adherence to the law. Data privacy regulations directly impact the way multinational companies conduct their business, which face steep financial penalties for noncompliance.

Beyond the legal requirements, there is also the challenge of handling data in an appropriate manner to prevent it from being shared with any third parties. This could involve steps like implementing robust company data management policies and training staff on handling sensitive data. If retail businesses want to capture customer data on a large scale, they must build a certain level of trust with consumers.

<sup>8</sup> <https://www2.deloitte.com/us/en/pages/audit/articles/enterprise-compliance-retail-companies-video.html>



“With the shift in customer behavior and the way that the market is changing in Australia, we need to make sure that we’re opening up all of our digital channels, and our customers are demanding that. Our goal is simple: Take what we’re already great at — the products our customers love — and move them to the digital realm.”

— Emma Toop,  
Online Strategic Initiatives  
Manager, Kmart Australia

This can be done by providing exclusive benefits to customers in exchange for their data (e.g., discount coupons, etc.). Part of this process involves effective branding and advertising, and this will also help customers build a relationship with the brand. Other important elements include storing data securely, ensuring that data is never used improperly and being clear with customers about what data is being collected.

High-quality, accurate data is imperative to these initiatives. Organizations must have effective data management and governance capabilities to manage massive amounts of data, to prevent exposure and reduce risk. To build and maintain consumer trust and loyalty, privacy policies should be in line with, if not central to, retailers’ business strategy. If customer personal and financial data is segregated and stored differently based on online and in-store sales, it increases the risk of exposure to potential data breaches and could result in noncompliance with new and existing data privacy laws.

Data governance isn’t solved in one corner of the organization. It’s a collaboration across teams, who must consistently, and collaboratively, improve the trustworthiness and quality of their data to power key business initiatives and ensure regulatory compliance.

### How Retailers Are Succeeding With Informatica

[PUMA](#), known for its lifestyle shoes and athleticwear, wanted to provide its customers with a hyper-personalized experience, including more accurate product recommendations. By adopting a data-centric solution that incorporates machine learning to better match disparate records into a single view, PUMA gained a far more granular understanding of its products and individual customers — and used that understanding to boost sales significantly, enough to achieve its ROI goals in less than two years.

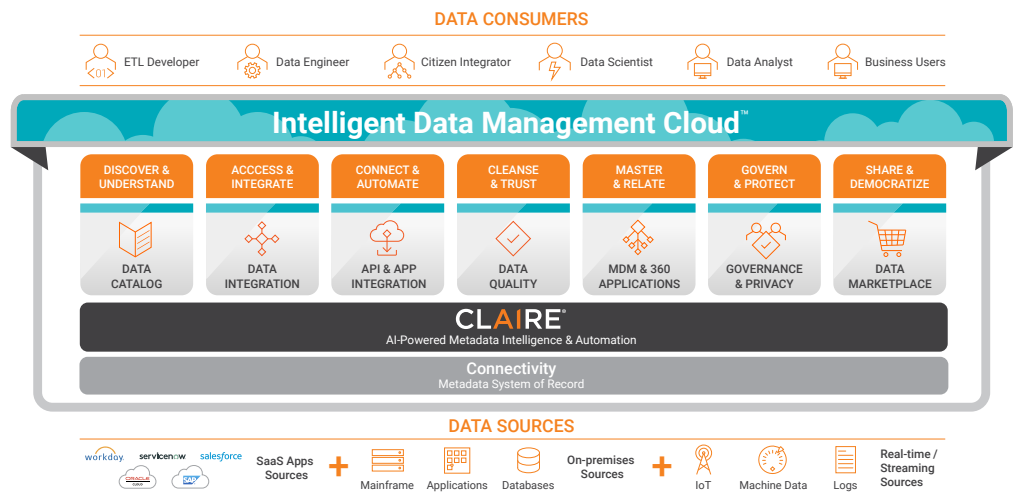
Facing stiff competition from web retailers and international companies, [Kmart Australia Limited](#) realized that retaining its customers meant giving them the digital shopping channels and innovations they crave. A data management solution focused on creating great product data allowed the company to deliver what customers wanted: faster access to new products and greater choice through online channels. Today, Kmart Australia can introduce new products four times faster while increasing online availability from just 6% of its product range to 98% — and its sales have quadrupled.

One of the industry’s largest consumer packaged goods companies wanted to build a resilient, sustainable supply chain by improving visibility into its suppliers. To comply with industry standards, the company also wanted to automate the process of sharing product master data with its retail partners via the GDSN. Using a data management solution focused on creating great supplier data, the company launched a new supplier master portal with self-service features. Deploying the solution helped the company increase its supply chain capacity, resiliency, and sustainability, reducing the time needed to onboard new suppliers by up to 80%. Now the business can share real-time consumer product data with ecommerce retailers, helping influence consumer purchasing decisions and boosting online sales.

## How Informatica Can Help Make Your Company “Data-Ready”

Convenience is the underlying theme related to customer expectations and a highly engaged customer experience. By leveraging data-driven and digital technologies, Informatica helps to elevate the customer experience to surpass expectations in this rapidly changing and competitive environment.

Informatica has a long and proven track record of enabling brands and retailers in their digital transformations and realigning their organizations toward data-driven and customer-centric business operations and decision making. We help to elevate the retail customer experience to surpass expectations in this rapidly changing and competitive environment with AI-powered, cloud-native data management solutions based on the Informatica Intelligent Data Management Cloud for Retail.



The [Informatica Intelligent Data Management Cloud for Retail](#) is the industry’s most complete and modular enterprise data solution, built on a microservices architecture to help retail organizations unleash the power and value of all data across local systems and hybrid and multi-cloud environments – ensuring data is trusted, protected, governed, accessible, timely, relevant and actionable.

The Intelligent Data Management Cloud for Retail includes several types of retail accelerators, such as retail-specific connectors, data models, taxonomies, user interfaces, workflows and more to significantly reduce time to value. This enables retail companies to rapidly deliver data-driven transformational outcomes and expand their opportunities for success.

## Next Steps

Learn more about Informatica solutions for retail at [www.informatica.com/retail](https://www.informatica.com/retail).



Worldwide Headquarters 2100 Seaport Blvd., Redwood City, CA 94063, USA Phone: 650.385.5000, Toll-free in the US: 1.800.653.3871

IN09\_0322\_04158