

Achieving Omnichannel Personalization at Scale

Personalization delivers the right message and content, to the right customer, in the right context, and through the right marketing vehicles based on a customer's preferences, needs, and wants.

In this digital age, customers increasingly demand fast, convenient, and differentiated experiences. The key to driving higher engagement, loyalty, and sales with your customers is personalization at scale—using data, deep customer insights, and connected content across all channels.

5 Dimensions of Best-in-Class Personalization



Data & Analytics: Drive 1:1 personalization with a unified view of omnichannel customer data that informs robust predictive models and algorithms (e.g., purchase propensity, product and brand affinity).



Creative & Content Management: Dynamically assemble, automate, and scale content needed for personalization with machine learning technology.



Optimization & Decisioning: Maximize omnichannel sales with a centralized decisioning engine that arbitrates which messages and offers

should be sent to which customers, over which channels, and at the right frequency.



Experience: Personalize every step of the customer journey with cutting-edge tactics such as tailored dynamic promotions, prioritized content sequence and placements, and real-time behavior-triggered messages across channels.



Organization & Operating Model: Execute a seamless omnichannel experience by aligning your teams' processes and goals across channels.



Of digital buyers chose **"individualized offers/communications based on my specific preferences"** as a leading factor in a great digital experience.¹



Of respondents named Amazon as **the best platform for personalized experiences**, followed by fellow digital natives Google (39%) and Facebook (38%).²



Of retailers reported they were capable of delivering a **"seamless and consistent experience across sales channels."**³

Business Value

- The 48% of marketers that have implemented personalization on their websites and applications experience double-digit lift in revenue and as high as 15% lift from personalizing web alone.
- 80% of consumers would be more likely to do business with a company that offered personalized experiences.
- Omnichannel shoppers make up 7% of customers but account for 27% of total sales.
- Online shoppers that engaged with a recommended product had a 70% higher conversion rate during that session and 55% conversion upon return sessions.



Data & Analytics

Robust personalization requires companies to deeply understand their customers—their needs and wants, psychographics and attitudes, shopping preferences, past purchases and behaviors, as well as the context in which they interact with the brand in the moment. Having a single view of omnichannel customer data available in real time is therefore critical to enabling personalization. Any data collected across channels, whether explicitly gathered via a gamified style quiz, or implicitly derived based on past purchases, should be leveraged to create a more complete picture of the customer.

Mass amounts of data can be unwieldy to actually analyze and act on. Leading companies apply first-, second-, and third-party data to build predictive models or algorithms to support 1:1 campaign targeting and advanced decisioning. These machine learning models—which can predict a customer's purchase propensity, product and brand affinity,

Examples to Illustrate POV

Web: Upon account creation, a clothing retailer deploys a style quiz to capture explicit brand preferences, enabling relevant product recommendations and dynamic product listings.

Search: A media and entertainment company auto-fills search recommendations based on viewing history and preferences.

Email: A customer receives an email prompting them to buy more of previously purchased groceries and that lists coupons, in order, based on their interests.

Push notifications: A beauty retailer deploys 100% personalized, geo-targeted content, such as pop-ups for samples and new arrivals, when a customer is nearby or in-store.

price sensitivity, churn risk, and contact frequency—should be used to segment and target known customers. In addition, companies can leverage data on known customers to identify segments of **unauthenticated customers** with a high customer lifetime value via look-alike modeling.



Creative & Content Management

One of the biggest challenges to enabling personalization at scale is producing sufficient content to drive to personalization. A 1:1 homepage or email experience implies going from a **few** different page versions to potentially **hundreds or thousands** of page configurations with messages and content tailored to individual visitors. Exhibit A illustrates a retail use case showing two different personalization tactics: a. tailoring the sequence and layout of content placements, and b. dynamic offers. In this example, Katie is an avid shoe and handbag shopper, who also shops for her husband and children and likes to browse seasonal sales. Olivia is a less loyal customer who typically

browses full-price items in contemporary women's apparel, handbags, and beauty.

Each homepage has multiple unique messages contained in "content blocks" (with headline, copy, CTA, and offer) that are re-used across customers and channels. These "content blocks" should be prioritized or sequenced differently based on the customer or persona. Offers should also be tailored based on the customer's price sensitivity or customer lifetime value.

Exhibit A: Unique homepages are deployed for customers with distinct shopping personas.

Creative teams cannot manually produce hundreds of versions of a seasonal homepage experience. Companies must leverage

technology to automatically and dynamically assemble content. Achieving this capability requires two things:

1. Creative teams should produce and manage content workflows by the **content block instead of the total media asset**, so that content is created once and then applied or modified for all channels via dynamic content assembly.
2. Content block assets should be attributed with the right metadata (e.g., promotional offer, product category, eligibility, etc.) using machine learning or AI to enable automatic content assembly.

Exhibit A



Shopper #1: Katie

- Avid shoe and handbag shopper, browses women's apparel with a focus on workwear
- Occasionally shops for husband and children
- Makes purchases 7-8 times per year
- Always clicks on seasonal sales

The Fall Shoe Edit
Browse recently added styles from mules and kitten heels to over-the-knee boots

Just for you: 25% off Handbags

For Him, Suits & Ties **Kids Back to School Clothing**

The Wrap Dress

Your New Favorite Blazer



Shopper #2: Olivia

- Often browses contemporary women's apparel, handbags, and beauty products
- Not a frequent shopper; makes purchases 3-4 times per year
- Shops mostly full-price items

The Wrap Dress
An iconic silhouette gets a modern update—available in 10+ colors

Your New Favorite Blazer

Just for you: 10% off Handbags

Bronzers & Contour Kits **Fall's Hottest Eyeshadows**

The Fall Shoe Edit



Optimization & Decisioning

Advanced capabilities are needed to enable personalized experiences for unauthenticated and authenticated customers.

- Companies should evolve from managing siloed, channel specific communications to orchestrating omnichannel campaigns across all traditional and new media.
- A centralized decisioning engine, bolstered by predictive models and algorithms, should be used to determine which messages and offers should be sent to which individual customers, over their preferred channels, and at the right frequency to optimize sales. Companies should leverage the advanced predictive capabilities of "next best action" software to enable this at scale.
- These personalization technologies deploy tailored content across the customer journey through automated, dynamic content assembly.

- Category pages that dynamically sort products based on preferred designers or styles.
- Relevant emails where over 75% of the content is personalized using dynamic content assembly.
- Behavior- and location-triggered push notifications and text messages.
- Dynamic layouts that organize page elements (e.g., reviews, product imagery, product specifications) based on user engagement and history of high-conversion actions.

Offline tactics:

- Tailored point-of-sale coupons generated on receipts.
- Store associate or call center access to customers' preferences, wish lists, or historical browse and purchase behavior to provide personalized customer services.
- Concierge or personal shopping services.



Organization & Operating Model

Enabling personalization at scale requires more than implementing new technologies; it requires transformation. The organization and operating model should be structured to enable a seamless, personalized experience across channels. Instead of having separate online and offline teams with different performance goals, teams should be unified at both the leadership and staff levels so that the organization can define and execute an omnichannel strategy. Organizational incentives should be aligned across teams to drive omnichannel sales and margin.

Sources:

1. Cloud IQ, *Me, Myself & I: The Individualisation Imperative Report*, conducted by Insight Avenue, Oct. 24, 2017.
2. *The Personalization Imperative for Content Marketing*, Marketing Insider Group and OneSpot, 2016.
3. *The State of Omnichannel Retail: Survey of Leading Retailers*, Brightpearl and Multichannel Merchant, Dec. 2017.



Customer Experience

Most companies have some level of "table stakes" personalization on their digital and physical properties today; as an example, most companies deploy product recommendations in emails or onsite. Few brands, however, are consistently deploying cutting-edge personalization tactics across channels. We have assessed the experience maturity in the retail space to identify the following advanced and cutting-edge tactics.

Digital tactics:

- Homepages with tailored promotions, dynamic hero imagery, or prioritized content based on customer preferences.