

## Connecting meaningfully in the new reality

The COVID-19 pandemic has forced almost every business to change how they operate. For CMOs, strategy and communications have needed to pivot in real-time potentially with dramatically-reduced budgets, both to keep costs down in uncertain economic conditions, and to demonstrate sensitivity to what was going on in their customers' lives.

In our new world, organizations are looking for ways to improve the customer experience, and evolve their marketing programs to be even more digital, targeted, precise, and personalized. Mass campaigns, and even personalized campaigns that group customers by persona or segment, are no longer hitting the mark. And, with cost-consciousness still top of mind, it's more important than ever to spend budgets wisely, optimizing your marketing approach to target customers with relevant and contextualized offers.

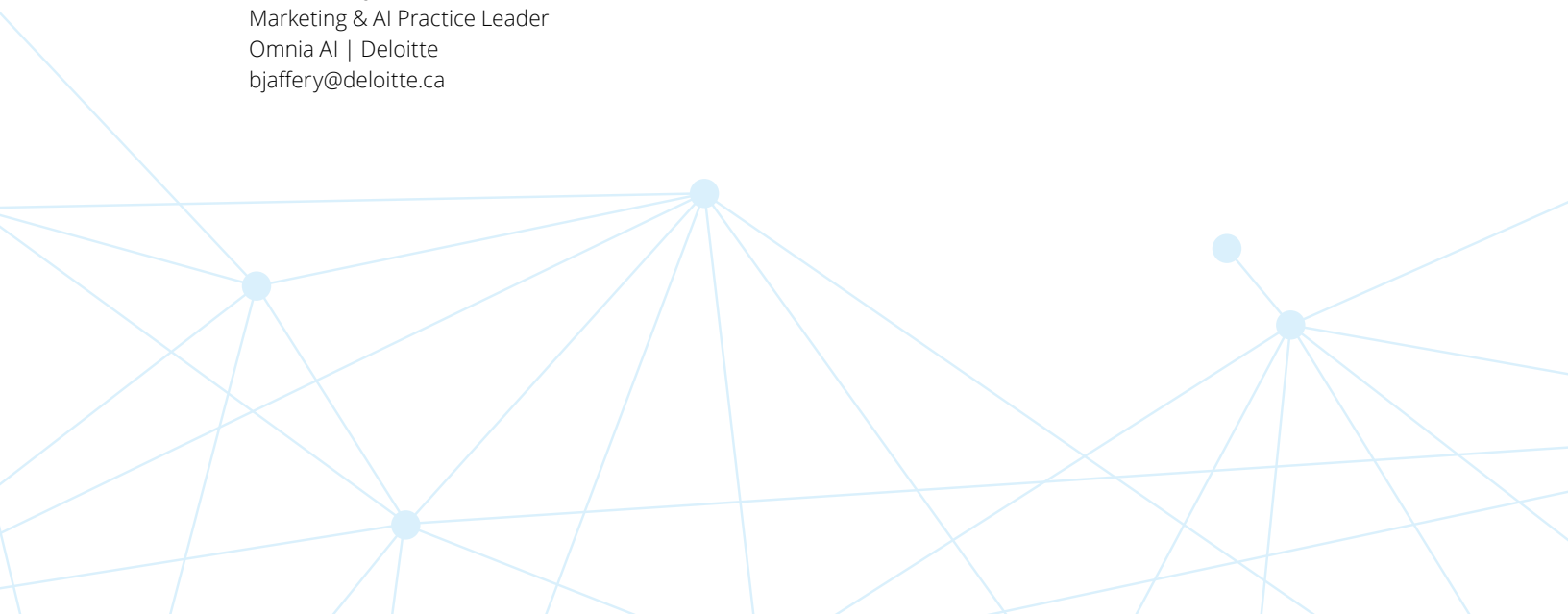
Responding to changing consumer perceptions and market conditions requires an ability to leverage customer data at the most granular level. As we slowly begin to emerge from the crisis, enabling hyper-personalization across e-commerce, marketing automation, and customer engagement platforms will be extremely important, allowing you to provide context to every interaction. A segment-of-one approach allows you to optimize who you target with key messages and offers through key channels, and also to understand when it may not be a good time to send an offer out.

Customers expect to be treated as individuals, as human beings who are facing one of the most challenging periods of their lives. They want to deal with companies who understand who they are and what they're going through—and who appreciate that their reality and needs are changing every single day. Adopting a hyper-personalized marketing strategy powered by data, analytics, and AI will give you the insights and capabilities to adapt to your customers' changing realities in real-time, which is what today's customers expect.

This crisis is bringing about sweeping changes to the business world, including how we market to customers. We encourage you to take the time now to consider how your company can accelerate its digital transformation to be better prepared as our reality continues to evolve.

### **Bilal Jaffery**

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## OmniaAI

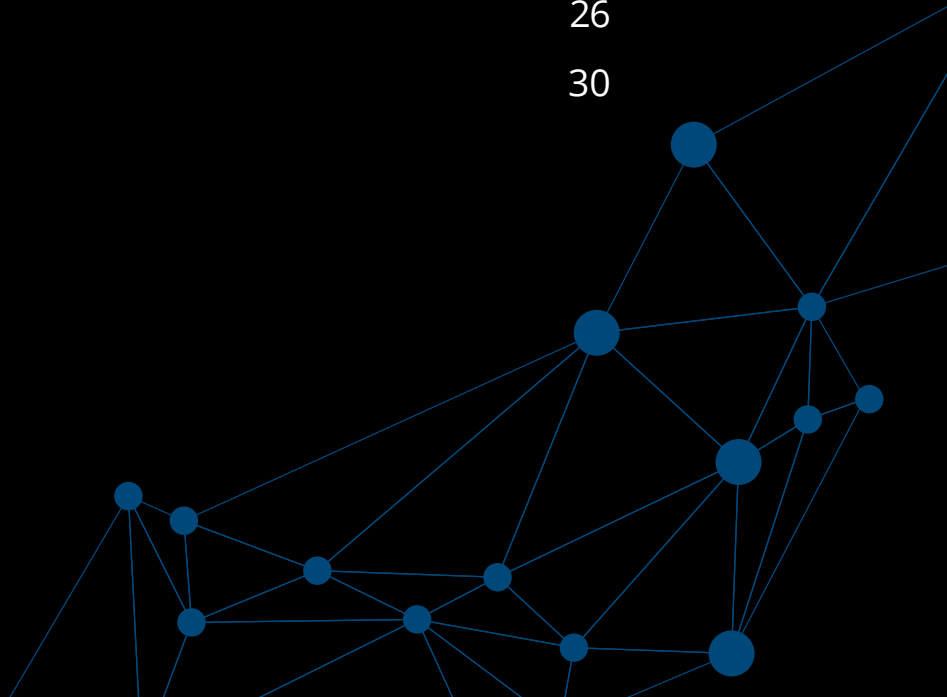
### Connecting with meaning

Hyper-personalizing the customer experience using data, analytics, and AI



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We live in an era where customers **expect** us to understand their wants and needs.



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# Introduction



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We live in an era of connection and the consumer marketplace is no exception. Businesses are expected to not just meet the needs of customers, but anticipate and exceed them. Today's marketplace is constantly fluctuating and its vital organizations adapt by harnessing the power of analytics and artificial intelligence (AI) to make the necessary changes to survive and thrive.

Having a robust marketing strategy isn't enough anymore. As consumer expectations change, competition becomes more advanced, and data gets more detailed, chief marketing officers (CMOs) are under immense pressure to modernize their approach to marketing. This has added complexity to their roles and placed them at the heart of organizational success.

What are the challenges for a modern-day CMO? Pivoting to a digital-first mindset, using AI to create stronger, more authentic interactions with customers, and effectively using technologies to capitalize on data for insights-driven results are just a few.

The solution? A hyper-personalized, AI-powered marketing strategy.

## THE CMO'S CHALLENGE



**CONSUMERS'**  
expectations  
are changing

Marketing leaders must recognize that providing a superior customer experience is not only expected, but a competitive advantage. Experience is critical to capture new customers and retain existing ones in today's crowded digital landscape, while also maintaining or increasing share of wallet. Customer experience is becoming even more important given that increased globalization offers customers an abundance of choice. Indeed, 97 percent of leaders agree that customer experience management is an integral business strategy for creating loyal and long-lasting customer relationships.<sup>1</sup> However, to meet and exceed evolving customer expectations, brands must use data and analytics to better understand their customers, and harness the power of AI to create authentic interactions and the hyper-personalized experience that customers now expect.



**COMPETITION**  
is becoming  
more advanced

Traditional business models are becoming increasingly outdated. Companies are consistently challenged by new entrants to the market that offer lower price points or more innovative experiences. Companies like Amazon, Facebook, and Google are leading the charge through their use of rich customer databases and personalized recommendation solutions. Digital marketing is also becoming a crowded sector, leading to increased spending in hopes of reaching customers. When faced with such a keenly competitive landscape, AI-powered marketing offers the ability to make a more meaningful impression on your customers with the limited exposure they may have to a brand's message, allowing them to forge deeper bonds and excel in the marketplace.



**DATA**  
is increasingly  
available

Historically, customer data was collected across outdated and disconnected systems, and limited to call centres and point-of-sale. However, increased digitization coupled with advanced data technologies allows organizations to use their proprietary and third-party data to create detailed pictures of customers and gain a deeper understanding of their preferences and behaviours. AI-powered marketing technology can then be used to sift through vast amounts of information in real time, and make insight-driven decisions on the types of interactions to have with each customer. Organizations must begin to effectively use available data and AI technology to accelerate results, and offer hyper-personalized experiences to attract and retain loyal customers.



**In order to excel in today's marketplace, organizations should adopt a hyper-personalized marketing strategy by exploring the ways data, advanced analytics, and AI technology can be embedded throughout the customer journey and generate new levels of industry-specific customer insights and action.**



As a CMO's focus becomes more customer-centric and data-driven, AI-powered hyper-personalization provides the appropriate solution.

# What is hyper-personalization?



Hyper-personalization is the most advanced way brands can tailor their marketing to individual customers.

It's done by creating custom and targeted experiences through the use of data, analytics, AI, and automation. Through hyper-personalization, companies can send highly contextualized communications to specific customers at the right place and time, and through the right channel.

As digital marketing becomes more competitive, hyper-personalized marketing provides the opportunity for organizations to meaningfully engage customers, deepen existing relationships and build new ones, and improve the customer experience.

Implementing this type of strategy not only increases customer satisfaction but also drives brand loyalty, willingness to spend, and overall marketing effectiveness.





## CMO goals



### Drive profit

Drive business growth through re-imagined platform and service design, plan for delivery of top-line revenue and ROI, lead the shift from cost centre to profit centre, and integrate product/service development with marketing and sales.



### Innovate and optimize

Employ new marketing strategies and tools to drive growth and reduce costs (i.e., lower customer acquisition and retention costs through personalized product targeting and campaigns).



### Improve experience

Create and ensure a consistent, personalized, and memorable brand experience across all media through a deeper understanding of customer needs and relevant touch points.



### Make data-driven decisions

Deliver concrete and understandable marketing metrics and analysis for data-driven decision-making and risk management.

## Hyper-personalized marketing can help by:



### Maximizing revenue

- Data-driven content generation
- Detailed product targeting
- Next-best-action/ recommendation engine
- Individualized or dynamic pricing



### Reducing cost

- Reduced customer acquisition and retention costs
- Workflow automation



### Elevating customer experience

- In-moment customer journeys
- 24/7, personalized customer service
- Real-time customer segmentation
- Dynamic landing pages and websites

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## Hyper-personalization goes further than segmentation



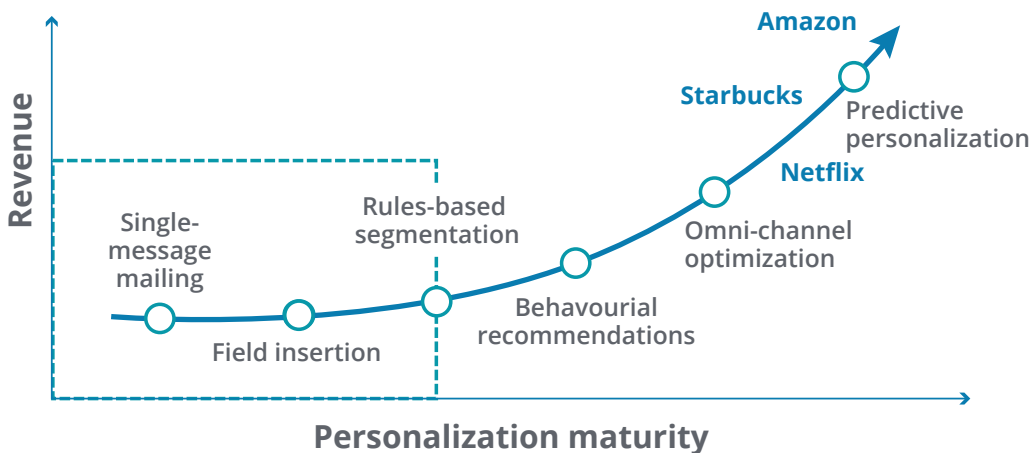
While segmentation creates customer groups based on shared likes, dislikes, and activities, hyper-personalization drills down to minute differences which can be used to target customers' at the individual level. Traditionally, organizations have used customer segmentation as part of their marketing strategy in attempt to ensure customers receive relevant communications and offers, but struggle to achieve deeper levels of personalization through this tried-and-true method.

While increasing segmentation efforts appears to be a good approach, it will not result in the best ROI or maximize program effectiveness. AI-powered hyper-personalization delivers optimal results by allowing companies to tailor their marketing efforts at the individual level by using data gathered on that specific customer. For example, personalized product recommendations or unique discounts can be shared using unique customer data such as psychographics or real-time engagement with your brand. This segment-of-one approach allows you to optimize whom you target with key messages and offers through the most relevant and appropriate channels.

Implementing this strategy not only increases customer satisfaction, but also drives brand loyalty, willingness to spend, and overall marketing effectiveness. Hyper-personalization can be achieved in various degrees, ranging from recommendation engines to connecting online and offline sales channels, and from predicting customer preferences to developing tailored products or pricing.

This level of personalization can't be achieved through the implementation of a single business case. Rather, it is a holistic marketing strategy that fundamentally changes the way organizations interact with customers, and should be treated as an evolving and maturing practice that's embedded throughout the customer journey and part of every marketing campaign. As organizations advance their personalization efforts, they can expect deeper relationships to develop with existing customers while also attracting new customers.

Personalization maturity curve<sup>2</sup>





## Hyper-personalization delivers a more individualized experience

As brands compete for consumer attention in a crowded digital landscape, they should look for opportunities to interact with customers more efficiently and make offers with the highest probabilities for conversion. Organizations can use customer data gathered during the customer journey, and combine it with information from external sources to engage with consumers and predict what they want before they have a chance to even look to a competitor.

**Hyper-personalization can be applied throughout the customer journey**, from attracting customers with personalized webpages and dynamic pricing to providing personalized services after the purchase. Unlike with mass media, where marketers can only assume which customer type or segment may view and identify with a specific advertisement, hyper-personalized advertising uses the same platform

and underlying data to present one of a multitude of targeted offers based on who is viewing the offer. For example, Cadbury made use of customer information and photos to create a hyper-personalized video ad.<sup>3</sup> This campaign used customer data, including age, location, and likes, provided via the customer's Facebook page (after receiving consent), and it resulted in increased click-through rates of 65 percent, and conversion rates of 33.6 percent.<sup>4</sup>

Organizations like Amazon continue to experiment with personalization after the advertising phase, seeking to increase sales conversion through the use of recommendation engines that serve customers with the exact product they're looking for.<sup>5</sup> While this experience is so seamless that customers may not even realize personalization is occurring, customers now expect brands to act like Amazon and predict the products that fit their needs.



**90%** of customers find personalized advertising appealing<sup>6</sup>

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## Hyper-personalization throughout the customer journey



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# What does hyper-personalization look like?

## Hyper-personalized customer experience

### Amazon<sup>7</sup>

Customers receive highly contextualized emails with personalized product recommendations based on customer demographics, psychographics, and previous purchase and view history

### Netflix<sup>8</sup>

Customers receive a highly contextualized and individual experience starting from a homepage that is based on their past viewing history and that uses viewing habits to recommend content

**Channel**

Email

Email and push notifications

**Approach**

Amazon uses a recommendation engine algorithm called 'item-to-item collaborative filtering' to suggest products based on key data points to create user profiles and craft a highly contextualized email for the shopper

Netflix uses an algorithm to predict content that users will want to see. It combines behavioural attributes with predicative learning to send 103 million users unique movie and show recommendations to increase engagement and loyalty

**Data considered**

- Customer demographics
- Search query
- Average time spent on searches
- Past purchase history
- Brand affinity
- Category browsing habits
- Time of past purchases
- Average spend amount

- Customer behaviours (including viewing history, ratings, viewing times, preferred device, viewing duration)
- Movie information (including titles, genres, categories, actors, release year, etc.)
- Members with similar tastes and preference

**Outcome**

The product recommendation engine generates over 35 percent conversion by creating unique, hyper-personalized experiences for each customer

Netflix's recommendation engine has been critical to customer retention as 80 percent of users follow through on a recommendation and only 20 percent search for content



## Starbucks<sup>9</sup>

### Hyper-personalized customer experience

Customers receive a personalized in-app experience with real-time offers based on their preferences, activity, and past purchases

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### Channel

Push and in-app notifications

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### Approach

As part of its Digital Flywheel strategy, Starbucks uses a data-driven AI algorithm to send over 400,000 variants of hyper-personalized messages (food/beverage offers) to their customers, and promote unique and compelling offers for each specific member

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### Data considered

- Contextual data (including location data, geospatial, demographic and traffic)
- Customer preferences
- Customer activity
- Past purchases

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### Outcome

Marketing campaign effectiveness and incremental revenue via offer redemptions increased three-fold, with an estimated 25% of total transactions being conducted via the mobile app







# Why does hyper-personalization matter?

## Customer expectations have changed

As more companies have adopted personalization along the customer journey, from product design to outreach and from the consumer experience to dynamic pricing, it has created a certain level of expectation for personalized interaction among consumers. Gone are the days of mass media where general advertisements to all potential consumers would successfully engage a wide variety of customers. Technology now allows for every interaction to be unique and personal, and consumers expect a personal connection with the companies with which they interact.



According to a study conducted by the University of Texas, the need to personalize comes from the citation to control and simplify decision-making.<sup>10</sup> Personalized products and interactions create an experience through which customers are the centre of all corporate decisions, and gives them greater control over the interaction. This further influences customers' decision processes as the information presented is tailored to their personal needs, and is most relevant to what they require. This tailored information also makes it simpler for customers to decide on the products and brands they prefer.

The combination of convenience, customer understanding, and emotional engagement drives loyalty in customers, and increased returns for organizations. Emotionally engaged, loyal customers

not only spend twice as much as those who are not engaged, but 80 percent of them will recommend the brand to friends and family.<sup>11</sup>

A study by Gartner finds that brands risk losing 38 percent of their existing customer base due to poor personalization efforts.<sup>12</sup> Customers have come to expect brands to use the data they share to understand and reflect their needs, and provide a more tailored shopping experience. By ignoring personalization, brands risk higher customer fallout rates at all stages of the consumer funnel, lower return on advertising investment, reduced customer loyalty, fewer impulse purchases, and higher product returns from customers who do not feel the brand or product understands them or their needs.<sup>13</sup>

**80%**

of customers are more likely to purchase from a company that offers personalized experiences<sup>14</sup>



of online shoppers say that the quality or relevance of a company's message influences their perception of a brand<sup>15</sup>



## Organizations are now facing competition from non-traditional, digital-first brands

Traditional marketing and business models are becoming increasingly outdated as digital, data-first and direct-to-consumer brands penetrate marketplaces. **This is making digital marketing increasingly crowded, leading to increased spending in hopes of reaching customers.** And as a consequence of the increased intensity of outreach, three out of four customers have indicated they receive too many email promotions from brands and 69 percent have unfollowed brands they once followed on social media.<sup>16</sup> These trends point to a lack of consumer interest in the content or offers they are being served.

Digital-first companies like Amazon, Facebook, and Google are leading the charge into new markets through the use of their comprehensive customer databases. By understanding their customers, they are able to target very specific customer segments using the right media and content. Even traditional businesses like McDonald's are adapting through the acquisition of companies like Dynamic Yield to personalize their drive-through experience.<sup>17</sup> This technology uses external data such as weather, trending topics on social media, products, time of day and seasons combined with a customer's order patterns to recommend additional products for that particular time and place.

Given fierce competition, digital advertising is becoming increasingly expensive. Studies indicate that over the last two years, digital ad spend has increased 12 percent, with no discernible increase in results.<sup>18</sup>

To effectively compete, organizations need to make a meaningful impression on their customers, taking full advantage of the limited exposure available. Hyper-personalization is a means to cut through the noise and provide customers exactly what they are looking for. It assists customers with decision-making, and fosters deeper relationships that will keep them from seeking out competitors.



**Three out of four**  
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## Technology is enabling advanced marketing solutions and consumer interaction

With more connected devices and robust data models, organizations are finding unique means of collecting data and connecting with customers. Historically, customer data could only be gathered at point of sale and was mostly expressed by customers themselves. However, the usage of online tracking through cookies and other means allow brands to gain a deeper understanding of customer preferences and behaviour.

There are various tools which enable this level of customer data to be efficiently utilized, including customer data platforms and loyalty programs. This data can then be combined with third-party data from social media, and censuses, and ethically shared among peers to establish a detailed description of customers and understand them far beyond traditional customer segments.

Data collection has also been augmented through the advancements of analytics and AI technology. **AI allows organizations to sift through vast amounts of information in real time and make decisions on the types of interactions to have with customers.** This can be done by using customer information to send personalized offers, recommend products, pre-populate applications, inform chatbots, and empower employees with relevant information.

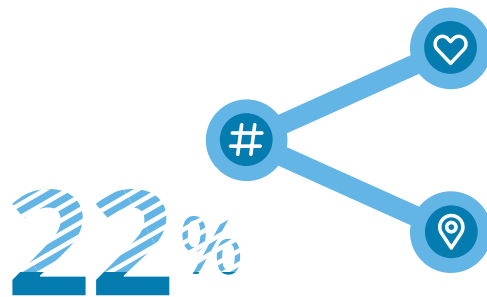
The combination of data and technology is disrupting the traditional means through which organizations interacted with customers. Data and technology is now enabling organizations to reach customers through targeted media with content that is relevant and uniquely tailored to them.



Well-executed hyper-personalization can deliver

# 8X the return on investment

on marketing spend, and lift sales by **10% or more**<sup>20</sup>



## 22% of customers are happy to share some data

in return for a **more personalized** service or product<sup>21</sup>

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# What does hyper-personalization mean to different sectors?

## Financial institutions are personalizing financial advice



**Mukul Ahuja**  
Financial Services Leader,  
Omnia AI

“Gathering contextual data generates information about customer profiles, consumer behaviours, and transactions, which can help not only with profiling and segmenting customers, but also drive more targeted offers.”

**Personalization is a key enabler to driving customer-centricity across the value chain for financial institutions.** As traditional financial institutions face increasing competition from technology-first organizations, they are looking for ways to retain current customers and attract new ones.

Their strategy includes **personalized product design, tailored advice and recommendations, pricing optimization, and tactical communications and servicing strategies.** All of these contribute to future-proofing the institution while integrating customer centricity.

Some examples of transformational insights and technology include the application of external data, voice analytics, and natural language processing. Financial organizations have deployed these tools to capture their clients' profiles and sentiments through phone, in-person, and digital interactions. This has enabled them to become increasingly more data-driven to better understand their customers and predict varying customer demands.



Financial institutions are increasingly finding ways to use the vast amounts of data they have on customers down to the transactional level to make more informed decisions on the types of products to offer and potential touchpoints on the customer journey. We expect financial institutions to continue to lead the way in capitalizing on advanced analytics to meet their customers' personal financial needs.

**Example:** As banks look to improve their relationship with existing customers and target new ones, they require rich data pools that can be used to make more informed decisions. Acquisition AI is a Deloitte tool that uses trusted third-party data to augment the data banks already have on customers. This data can be used to target new customers with highly relevant offers based on their preferences, risk profiles, and propensity to act.

## SAMPLE CUSTOMER JOURNEY MAP



### Researching financial products

AI allows companies to ensure content is tailored to the customer, making it easier for them to find the information they are looking for

### Meeting a financial advisor

Real-time analytics and customer insights will ensure advisors know exactly what customers need

### Developing a personalized offer

Granular customer data allows for the tailoring of financial offerings for specific customers, reducing risk and improving experience



## Retailers are personalizing the shopping experience with relevant product recommendations and personalized pricing



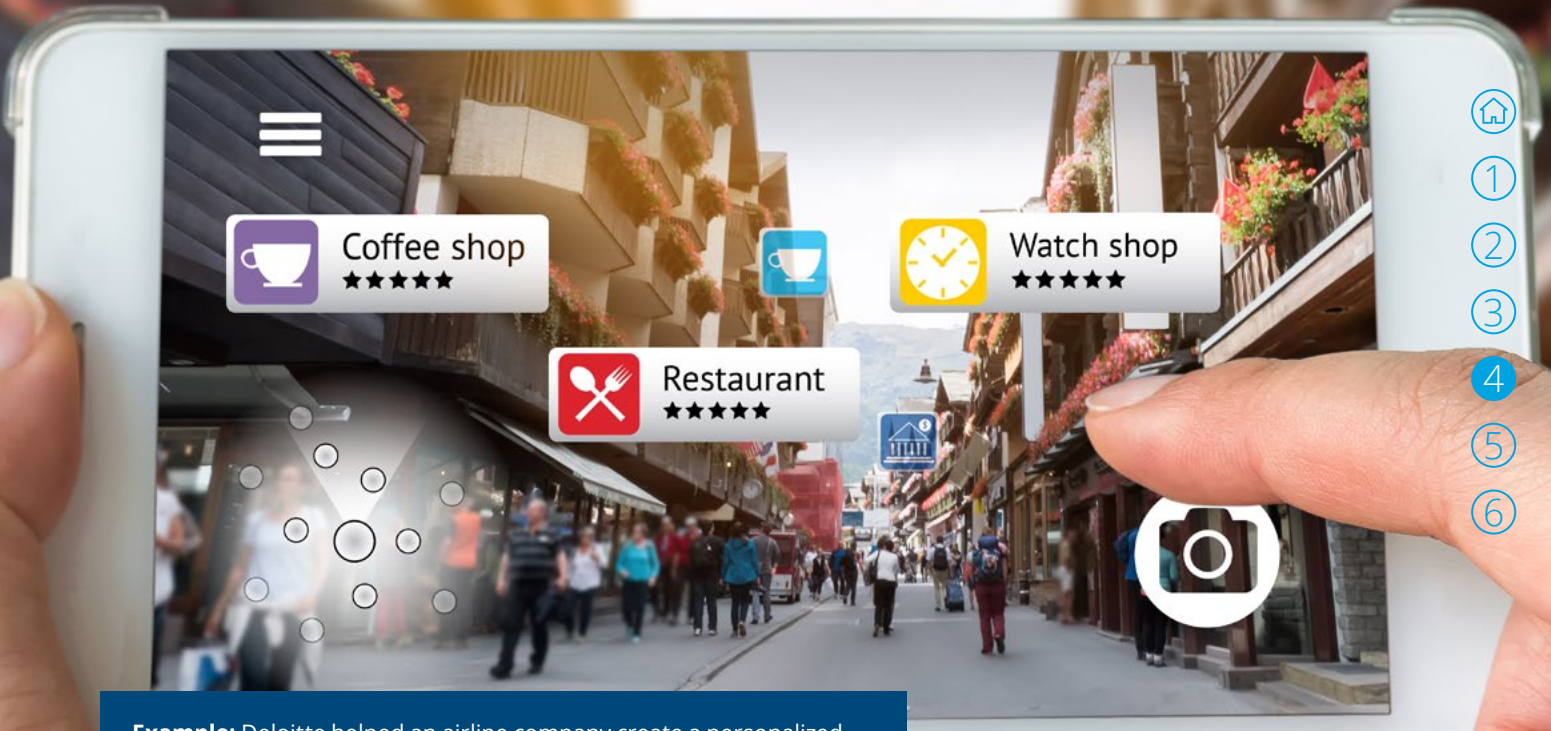
**Stefan Ivic**  
Retail Leader, Omnia AI

“It comes down to relevancy. Being more personalized leads to more relevant offers, and differentiation for customers based on their engagement and investment in a particular brand.”

The availability of customer data allows marketing professionals to **understand their customers’ desires before they even enter the marketplace.** These insights are being used to promote their brand in a relevant manner, attracting customers with a higher probability of conversion. Relevant offers use multiple different levers, such as pricing, advertising, and bundling.

Once a customer enters the marketplace or a retail location, personalization can be used to ensure their shopping experience is unique to them. This can be seen through the use of virtual shopping associates or customizable products. Allowing for these experiences changes retail from being a shopping destination to becoming an online activity for customers to experience the brand. This is only accelerated with the rise of omni-channel brands. Customers are now equipped with the tools to digitize their experience even inside a physical retail location, bringing their online customer experience into the store through the use of technology. This starts with using behavioural analytics to sort products in a way that maximizes conversation. Then once a customer walks in to the store, he or she can use his or her mobile technology to get product recommendations and be directed to various products and departments.

In-store dynamic pricing can further personalize the customer experience, making each store visit unique. Modelling technology can help organizations make real-time decisions on the discounts most likely to drive conversion. This is an example of tactics such as coupon distribution linked to postal codes being updated for the digital age.



**Example:** Deloitte helped an airline company create a personalized, omnichannel experience by using AI technology to link their customers' online and data profiles with the experience they receive in airport lounges. By utilizing facial recognition, the airline is able to arm customer service representatives with the information they need to serve customers in a personal way. This includes greeting them by name, giving them their drink of choice, and providing service recommendations based on past visits.

## SAMPLE CUSTOMER JOURNEY MAP



### Relevancy through loyalty programs

Mapping customers and understanding their needs, and predicting segment changes early, allows organizations to provide targeted offers

### Tailored web content

Companies are able to offer tailored product recommendations and insights by changing website content in line with a customer's profile.

### Personalized pricing

Knowing a customer's willingness to spend and external motivators allows organizations to use dynamic pricing and increase conversion





## The public sector is improving access to personalized public services



**Nihar Dalmia**  
Public Sector Leader, Omnia AI

“Personalization in the public sector is about improving outcomes by understanding citizens’ needs better and ensuring that every citizen is given the right service at the right time.”

Government and the public sector offer a broad range of services to citizens. Socioeconomic and demographic complexity makes it difficult to provide general services suitable to everyone.

As government looks for ways to streamline operations while continuing to provide the appropriate services, AI presents itself as a solution. Governments have access to data that offers deep insights into the population, which allows them to segment people and tailor services accordingly. Being able to communicate this information to the right bodies can increase efficiency and allow public-sector actors to serve people quicker and in a more informed way.

Real-time data collection and consolidation also allows governments to track at-risk populations and be more proactive in providing the services they need. In child welfare, for example, this could take the form of prioritization of the highest-risk cases.

We expect personalization to filter into multiple elements of public-sector service provision, whether for citizens, businesses or not-for-profit organizations, making it easier for them to access information and get the support they need.



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**Example:** As part of our government AI solutions, Deloitte employs chatbots that help citizens and public servants better navigate bureaucracy and determine which forms need to be filled out to access a given service. In addition, underlying AI algorithms parse the responses provided by citizens, and input that data into the relevant forms to ease the process of completing and submitting the forms.

## SAMPLE CITIZEN JOURNEY MAP



### Proactive planning

Having deeper insights on public sector matters allows the government to proactively place resources ahead of demand

### Segment customer needs

Breaking down the data on citizens to understand needs allows the public sector to deliver the right services for distinct populations

### Serving and connecting

As the public reaches out to public bodies, having insights on previous interactions allows for more efficient interactions



## The health care industry is focusing on individualized care and improving doctor-patient relationships



**Shanil Ebrahim**  
Health AI Leader, Omnia AI

“Health care will no longer focus solely on providing care, rather it’ll focus on sustaining the overall well-being of the health care consumer.”

As health care technology advances, so too does the depth of interaction that health care professionals have with patients. Health, being a very personal matter, naturally lends itself to hyper-personalization to **ensure each individual is getting the specific treatment he or she requires.**

This industry can be broken down into health consumers and health care patients.

A health consumer is a customer segment looking to be more invested in a healthy lifestyle, using consumer products and services such as vitamins and fitness classes to do so. Personalization in this sector helps customers find what they are looking for based on their unique health and behavioural needs. In a similar way to retail, an example of personalization is the use of a recommendation engine to suggest healthier alternative products based on past behaviour and gathered data. This can be further extended into general wellness through nutrition fitness, meditation, support tools, etc.

On the other hand, health care patients are looking for a solution to a personal health-related issue. Personalization can be achieved through the use of individual patient data, as well as trends and diagnoses made for other patients with similar symptoms. AI can be used to sift through this data, and suggest treatment plans.

The next step in personalization in the health care world is to create a 360-degree view of health that encompasses both consumers and patients. Equipping health care professionals with a person’s lifestyle data and empowering individuals with their clinical data contributes to seamless service and a personalized health care experience. In this world, customers would receive recommendations based on their medical history and health care professionals would be able to prescribe care plans based on a patient’s lifestyle preferences.

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**Example:** Technology such as Deloitte’s SmartMD is being utilized to provide a more data-driven and personalized approach to the doctor-patient relationship. SmartMD allows a physician to reduce the documentation burden through an automated voice-to-insight and paper-to-insight algorithmic system, enabling the physician to focus more on building a personal relationship and providing more informed diagnostics using the comprehensive information collected over multiple visits.

## SAMPLE HEALTH CARE JOURNEY MAP



### Data consolidation

Bringing together scattered pieces of health care data from visits to the doctor, pharmacist, wearable technology, and demographics

### Care recommendations

Utilizing customer health data to provide personalized diets and exercise routines to fit not only the consumer’s lifestyle, but also their constraints

### Personalized care

Although currently tightly regulated, AI shows the promise of being able to develop personalized medicine



# Where to start?





## Identifying customer needs

The first step to improving customer experience with hyper-personalization is understanding the customer. This no longer means simply high-level demographics such as age, sex and education level, but rather calls for a deeper layer of customer data to be gathered and analyzed. This includes behavioural, psychographic, geographic, and demographic data, and allows for the targeting of each segment and person differently and for more personalized and relevant communication.

**The various layers of information through which we can better understand a customer's needs can be sourced from a variety of first- and third-party data.** Each source provides a deeper insight into a customer's preferences, and, thus, boosts personalization efforts.

First-party information is that which an organization already collects and owns. This type of information includes data on previous interactions, shopping behaviours, types of products customers may favour, along with any demographics gathered as a result of doing business. This layer of information provides more limited insights but can be used to classify and distinguish customers who drive the most value.

As well as internal information, organizations can also obtain and harness external data. While internal data is limited to interactions with the organization, external data allows organizations to fill in the gaps of knowledge and identify behavioural traits that may not have been obvious from an organization's own interactions with their customers. Simple examples include social media posts, credit scores, and corporate partnerships. This enriched data set can then be used to tailor messaging, design products, or develop content that is more relevant to the customer.

The combination of these two sources of data leads to true personalization, even allowing brands to respond to dynamic life events. Dynamic real-time data ensures customer information is up to date and offers the ability to target consumers with relevant messaging at the right place and time for optimal conversion.



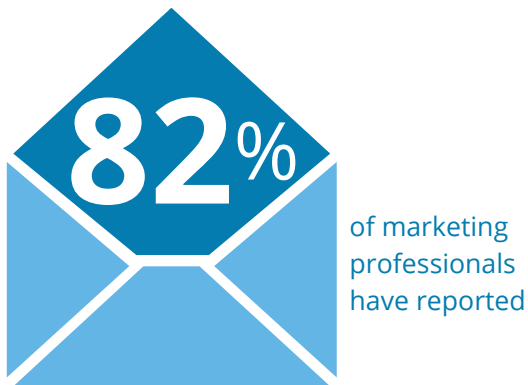


## Understanding the current state of data and technology

Once an organization understands the role personalization will play in its strategy and how it aligns to its customers' needs, implementation will require the right data and technical capabilities. Whether it be tracking customers on e-commerce platforms or using facial recognition as a means of providing additional security, the art of personalization starts with how information is gathered, analyzed and used. **A personalization strategy alone is not enough and will need to be enabled by the appropriate data, technology, and architecture.**

Data has become central to business strategy and decision-making, and is even more important in personalization. The type of personalization an organization is aiming for will change the type of data it will need to gather. This exercise is similar to the need for customer data for segmentation, but is on a bigger scale in order to provide a truly unique experience. The journey starts with determining what information the organization already possesses (current state), creating a future vision of the organization's personalization strategy (target state) and discovering what data will be needed to move to the future state (roadmap). Once the organization knows its data requirements, it will need to collect that data which can be done through the appropriate combination of customer tracking, purchasing of third-party data, or capturing data, throughout the customer journey. This also requires organizations use data platforms such as customer relationship management systems (CRMs) and customer data platforms (CDPs).

When the relevant data is gathered, implementing a method of targeting customers with the correct content can be achieved through technology. Knowing where to meet customers and the channel through which it will be done is a crucial part of this process. This can be something as simple as personalized email marketing with name and relevant products included based on previous purchases, or something more complex such as a custom landing page. Some examples of these technical solutions include personalized recommendation engines, chatbots, and serving specialized ads on social media to a narrower audience.



**higher opening rates**

for personalized promotion emails<sup>22</sup>



## Creating a roadmap for success

Personalization is not a single piece of technology that can be installed and immediately work for every organization. It involves a strategy that affects multiple elements in an organization's business and requires a consolidated technical solution. **It is crucial that an organization develops a roadmap to decide which personalization elements should be implemented, when, and how.**

Although there are various personalization tactics that can be deployed throughout the customer journey, it is important that organizations recognize the importance of prioritization. This is done by balancing the impact of each effort with the cost of implementation. Impact can be financial (the return on investment), the impact on customer experience, or how it changes the competitive landscape. Some personalization efforts carry greater benefits than others, and it is important that an organization know what it wants to achieve. If a brand is looking to improve customer loyalty, it is more likely to focus on improving the customer journey by making the shopping experience easier or more connected through personalized communication. Alternatively, if a brand is looking for quicker conversion, it can use personalized offers and pricing to entice customers to make an impulse purchase. As the demands of the organization and customer vary, so do the types of personalization solutions that need to be used.

True personalization is all about timing and calls for the constant gathering of the right data to make informed decisions. This means that the cost of implementation will vary depending on an organization's maturity and willingness to invest. To make the best use of resources, organizations should target low-cost, high-impact solutions that will drive benefits in a manner that is least disruptive to their customers and their needs. **It is important that an organization choose the solutions that are best suited for its brand image, customer relationship, and industry.** This means conducting a self-assessment to understand goals and current state, and then building a roadmap based on identified priorities.







# Conclusion

Marketing has always been rooted in a brand's ability to create meaningful connections with consumers.

Hyper-personalized marketing will become an essential part of any successful strategy as technology-enabled customer data increases, customer expectations continue to evolve, and the marketplace becomes more competitive.

Data, analytics, and AI are essential tools in crafting a hyper-personalized strategy that will allow brands to forge deeper bonds with customers and excel in the marketplace.

**It's time to start taking things personally.**

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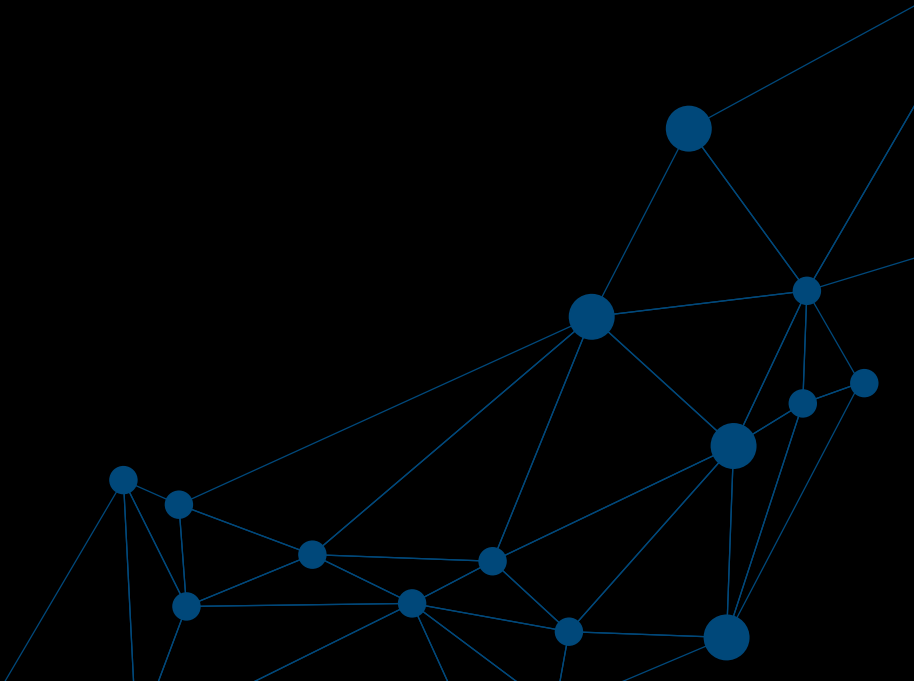


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