Personalizing customer experiences at scale

Personalization has become integral to the customer journey and is now a key driver of brand loyalty across all channels. Consumers are much more likely to buy from brands – both in-store and online – when offers are personalized. And it’s not just your brand communications that need to be more relevant: consumers are also interested in purchasing more personalized products and services, and are willing to wait longer to get them.

You know more about your customers than ever before. But isn’t one of your biggest challenges how to make sense of all that customer data so your marketing messages can be more targeted and relevant? In some ways, the proliferation of data and bigger, more complex marketing stacks have made the goal of deeper personalization both easier to visualize and more difficult to implement. While most companies agree that personalization is critical to their current and future success, IT roadblocks and legacy technology are *major barriers* to their personalization efforts.

It’s not just about greeting customers by name when they return to your website, either. Consumers expect dynamic, relevant email messages and ads across social media, the web and mobile devices. As the internet of things (IoT) continues to expand, the lines between digital and offline marketing are blurring, and brands can now send personalized offers to customers at the physical point of sale (POS) through smart watches, in-store kiosks and other connected devices.

That’s why AI-driven systems have become critical to providing marketers with the accuracy, speed and scale necessary to personalize interactions throughout the customer journey. AI is capable of analyzing massive amounts of data that your team alone can’t mine. And beyond just connecting that data, AI-powered, real-time personalization tools learn from customer interactions and patterns across offline and online channels in milliseconds. While humans remain in the driver’s seat for strategy and creative, machines can analyze, process and deliver individualized content on the fly to each customer.

Let’s look at how some enterprise marketing organizations are ramping up their personalization strategies to improve the customer experience, as well as increase revenue and conversions.

Leveraging the need for speed

In today’s competitive retail banking market, customers increasingly expect highly personalized services. But inertia – and the perception that switching banks is hard – lead many people to stay with their banks, even when dissatisfied.

Online bank ING DIRECT, which had already proven itself a nimble challenger to bricks-and-mortar competitors, decided personalization was the key to growing its Australian business even faster. The company set a goal to double its customer acquisition rate in one year by delivering targeted offers and service information to consumers in near-real time and at scale. The challenge was how to accelerate its marketing communication processes, which had been done manually in the past.

Using IBM Campaign and IBM Interact as the foundation for a new automated approach, ING DIRECT marketers were able to dramatically shorten the time required to create and deliver personalized messages to individual consumers. All channel interactions were integrated into a single view, allowing the company to understand exactly where every individual was in the buying cycle, and tailoring its product recommendations to them based on their individual needs.

As a result, ING DIRECT cut its time-to-market for personalized campaigns in half, increased cross-sell rates in its call centers and boosted incremental sales conversions by up to 120 percent. An added benefit is that marketers are now spending less time preparing data and more time providing value-added analysis. Going forward, ING DIRECT plans to extend its personalized marketing capabilities into the display advertising space to dynamically serve programmatic ads to each customer based on their individual profiles.

Not just a cup of coffee

Customer loyalty and personalization go hand in hand, as companies that listen and respond to every customer interaction drive higher brand engagement and advocacy. European-based coffeehouse chain Caffè Nero knew that its customers viewed visits to its stores as an experience, rather than just a jolt of caffeine. Marketers annually run four quarterly campaigns comprising two seasonal promotions (Christmas and summer) and two coffee-focused campaigns – as well as a number of smaller product launches.

The challenge for the coffeehouse was to increase customer engagement by providing more personalized, timely communications that would improve awareness of its seasonal specials and turn online interactions into in-person customer spend.

Caffè Nero targeted loyalty cardholders for a new marketing communications push to turn customers into brand advocates. The company chose IBM Watson Campaign Automation to deploy a three-point personalization strategy based on persona segmenting and behavioral mapping, which provided marketers with valuable data at every touchpoint. When a new customer signed up for the pre-paid loyalty card, a welcome email was delivered to start the engagement process. Transactional emails that incentivize customers to make a related purchase experience clickthrough rates that are three times higher than emails featuring non-transactional messages.

In addition to informing the customer about offers, these emails gathered personal information, such as frequency of use and preferences, which was pivotal to the persona mapping process. Automated monthly statements then became a vehicle for Caffè Nero to engage with its registered customers on a regular basis, providing personalized information on card balances, as well as updates on seasonal products and new

releases.

Caffè Nero has since seen cardholders visit and spend twice as much as a lookalike control group. The company has tallied a 70 percent email open rate among cardholders, significantly driving offline purchases. Results also show that 68 percent of customers receiving personalized emails come in for coffee within the week. By implementing these nurture programs, the company can move forward with a more segmented and laser-focused approach to future customer communications.

Getting personalization right

Using personalization to improve customer retention can have a direct impact on your company’s bottom-line. It’s simply more expensive to acquire a new customer than to get current customers to spend more. With that in mind, Saudi-based telecommunications provider Mobily decided the way to increase customer use of its mobile data services was to improve the relevance of its marketing communications.

To achieve its goal, Mobily marketers utilized IBM® Watson® Marketing solutions to begin identifying customers with an appetite for data, and then offering them compelling new products and offers to create upsell opportunities. The key was to match Mobily’s data offerings – including on-demand media, games and mobile TV – to the most relevant audiences. Marketers wanted to go beyond segmentation based on broad groups of customers to create “micro-segments” based on actual behavioral data from individual customers. This approach enabled the company to personalize its marketing activities to match unique customer needs and preferences on any channel.

The result has been a dramatic increase in average revenue per mobile user (ARPU), as well as a decrease in customer churn, thanks to the implementation of more advanced predictive modeling. Mobily is now positioned to integrate multiple data sources to enrich its understanding of each customer, including mobile usage patterns, usage frequency, in-store visits and contact center calls. In-store personnel and contact center representatives are now equipped to inspire customers with services and products they may not otherwise have considered.

Happy customers, more conversions

Your customers won’t settle for a bad or even just a bland experience anymore. They want personalized offers that deliver what they need at every stage of their buying journey – and what they need is changing all the time. By leveraging the power of AI, you can gather in-the-moment insights that will help you predict what your customers want. And once you know what they’re looking for, you can design campaigns that deliver the right experience wherever and whenever it’s relevant to them. Blending machine-driven analytics and your creativity is the key to creating the best customer experience you can.

About The Author

IBM Watson Marketing is a leader in AI-powered digital marketing platforms. Our open, integrated tools help marketers understand and personalize the customer experience. From real-time analytics and insights to omnichannel marketing automation, Watson Marketing dives deep into consumer behavior, enhances workflows and drives conversions. With Watson Marketing, marketers can harness the power of data to build lasting engagement across the entire buyer journey.
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