COREMEDIA

Busting the **5 Most Common Personalization Myths**

Personalization has been a part of marketing's vocabulary for years, but the urgency to get it right has recently skyrocketed. The pandemic has accelerated customer expectations around how they want brands to interact with them, and when brands don't deliver, customers go elsewhere.

71% of consumers **expect personalized interactions**

76% become **frustrated** if they **don't get them**

— McKinsey & Company

On the flip side, those who get personalization right have gained 40% more revenue from those efforts. But many organizations have found that their personalization initiatives just aren't working. While 85% of companies believe they deliver personalized experiences, only 60% of consumers agree, notes research by Twilio.

In this paper, you'll learn the true meaning of personalization, explore the myths around it, and take away strategies to help you exceed customer expectations and strengthen customer loyalty.

> We've come a long way from placing a customer's first name in the subject line of an email and calling that personalization. It's time for organizations to take a step back and re-evaluate what personalization really means, what's holding them back, and how they can deliver personalized experiences that move their business forward."
>
> — **Ulrike Heidler**
> Director of Sales Engineering Americas, CoreMedia

What is Personalization?

> More than a feature, personalization is a fundamental approach to the customer experience. It's about enabling contextualization, relevance, and responsiveness to create more connected, enjoyable interactions."
>
> **— Doug Heise**
> Vice President, Global Marketing,
> CoreMedia

Personalization is about delivering the most helpful and appropriate customer experience at just the right moment in the customer journey, without unnecessary manual effort. It responsibly uses behavioral, situational, historical, predictive, and social data to provide real-time experiences both online and in-store that win consumer attention, build customer relationships, increase trust, and ultimately raise revenue.

Some examples of personalization include providing relevant product recommendations, tailoring messaging, offering targeted promotions, following up after the sale, and providing content based on consumer behavior.

The idea of micro-moments is also an important part of personalization. A micro-moment occurs when a customer picks up a device with the specific intent to buy or learn something. According to McKinsey, 59% of customers want communications tied to key moments. Micro-moments are the perfect opportunity for brands to offer their customers something valuable right when they need it, whether it's a special offer, a useful piece of information, or a delightful experience.

Biggest Personalization Myths and How to Overcome Them

Now that we've defined personalization, we'll explore some of the biggest myths around these experiences, and how to move past them to grow revenue and customer lifetime value.

Myth #1: Personalization starts with technology.

While technology is an enabler that helps you get from one point to another, many marketers make the mistake of leading with technology instead of strategy. However, it's important to know where you are now and which goals you want to reach with personalization.

First and foremost, this means understanding your audience. By analyzing when people buy, how much time they spend on your site, the products they add to their cart, and the size of their purchase, you can group your buyers into specific segments that make it easier for you to provide them with targeted content. These segments could be based on demographics, geography, personality, or behaviors.

For example, you might have segments made up of regular purchasers, big spenders, or people who buy for others, such as a mother buying back-to-school products for her children. Each of these segments requires a different personalization strategy to ensure customers are getting the most relevant content that entices them to buy.

> "
>
> Start with a handful of segments — or even just two or three — and then consider your goals. Do you want larger cart sizes? Higher cart values? Quicker checkouts? Once you define all of these variables, technology can help you get there."
>
> **— Ulrike Heidler**
> Director of Sales Engineering Americas, CoreMedia

For the mother who is buying school supplies for her children, you might begin promoting backpacks in anticipation of back-to-school season. Later, you'll want to upsell and cross-sell with coordinating products, such as matching lunchboxes and other related products. Or, if you have a segment of buyers you know make purchasing decisions quickly, you can incentivize them with aggressive promotions to be sure you get the purchase before they lose interest.

Myth #2: Personalization is one and done.

Every time a consumer thinks about a new purchase, they're starting a new buying journey. Whether their shopping preferences have changed, or the weather has gone from sunny to snowy, you need to be ready to adapt.

That's why personalization is an ongoing process. Rather than just launching a campaign with targeted content, you'll need to test out that content, optimize it, and then measure success to determine what to do next. But you don't have to do everything at once.

You might start by segmenting your email subscribers by location or behaviors for more personalized email campaigns. Next, move on to segmenting your audience on social media by interest, age, or other demographics so you can provide them with more relevant content. You can also use web analytics to

analyze traffic and engagement, and then create blogs and page content based on that data. And along the way, test out different messages and calls to action to see what works and what doesn't.

While there are a lot of moving parts, here are a few ways to ensure your teams are always giving customers the content they want:

- **Use customer segmentation lists from your eCommerce, marketing automation, or CRM suite to personalize content and product offerings:** Today's AI-based personalization tools can automatically generate customer segments based on data, saving your team time, and ensuring they work with the most up-to-date audience information. These segments should be readily available in your CMS, making it easy for content creators to choose the right persona from an integrated list rather than switching between systems.

- **Set content rules supported by user data:** Use rules and conditions in your CMS to control when different images and text are displayed. These could be based on analytics, shopping behaviors, or on a particular event or season. This allows you to schedule content ahead of time—including when it's due to expire—so you can tell the story you want at the exact time your customers want to hear it.

- **Empower teams to preview and test content by persona and other context before publishing:** With so many kinds of consumers and ways for them to interact with your brand, you need to be sure that all content, assets, and product information display as expected. You can do this by giving editors the ability to preview content based on persona, device, the season, or even weather. And don't forget omni-channel displays like in-store kiosks, billboards, and single-page apps.

Myth #3: Personalization requires a large team and lots of manual work.

There's no doubt that personalization is complex. It requires a lot of strategic thinking and ongoing effort. And while there is some manual work involved, there are a few things you can do today to get started, such as creating customer profiles.

Even though you might spend some time up front setting up those profiles, technology is available to help support your efforts. Smart tools that use AI and machine learning are becoming increasingly sophisticated and can help automate and reduce human effort.

On the content side, personalization doesn't mean you need a large team, or that they must create huge amounts of content to cover all your audience segments. By reusing content and making it easy to combine content and commerce, any size team can be successful with personalization.

For example, let's say you're selling into multiple regions. In this case, you'll need content that's tailored to fit the language, requirements, and customs of each region.

Rather than creating each variation from scratch, with the right CMS, your team can re-use text and images, as well as automate translations. The result is more efficiency, higher productivity, and more relevant experiences.

Incorporating personalized shoppable content into your images, stories, banners, or blog posts without a lot of manual effort should be just as easy. Rather than copying and pasting HTML from your eCommerce system, a modern CMS can help your team drag and drop product information into rich media, while at the same time retrieving pricing data in real time with inventory awareness.

Myth #4: Every piece of content should be personalized.

For all the benefits personalization offers, organizations need to find the right balance between providing targeted content and giving customers control over the shopping experience. Imagine this scenario: A man is shopping for a new skateboard for his son on his favorite sporting goods site. During that time, the shopper sees recommendations for the latest skateboard models and accessories.

However, once he makes the purchase, rather than seeing recommendations for the big-ticket golf equipment he's interested in buying, he continues to see items related to skateboards. While the skateboard content was personalized to a particular shopping journey, the retailer has lost a major opportunity to sell that customer the items he wants to purchase for himself.

Here are a few things you can do to allow customers to explore more of your product portfolio, while also enhancing the customer experience. Allowing customers these "personalization exits" can help establish and maintain trust while protecting their privacy.

• Let customers shop anonymously. Give customers the choice to opt-out of including certain shopping activities and purchases in their shopping profile (like the skateboard purchase).

• Randomize recommendations. While this might seem counterintuitive to providing AI-recommended lists of relevant items, a wider range of options for certain customers could mean more purchases later.

• Mix dynamic product listings with manually curated items. While on a cookware product page, get your visitor's attention with a teaser for your blog on how to clean their oven, or a promotion for your newest gourmet cooking gadgets.

• Show customers what other people purchased. We know that people trust their peers more than other sources Incentivize people to buy through a dynamic listing showing items purchased in the last five minutes or the last few days.

Myth #5: Privacy regulations limit the ability to personalize experiences.

Some marketers believe that consumer privacy regulations like the General Data Protection Regulation (GDPR) and the California Consumer Privacy Act (CCPA) make personalization harder to achieve. While these regulations require that businesses get consumer consent before collecting their data, they can actually help increase trust because consumers know exactly how their data will be used.

In fact, research shows that most consumers are willing to give consent if they know they'll receive a personalized, authentic, engaging experience.

70% of consumers say the **benefits of sharing their data outweigh the risks**

— PwC

In addition to complying with privacy regulations, you can ensure consumer privacy and increase trust by personalizing experiences based on context, like weather or location, rather than on more personal details. You can also give consumers the opportunity to define which data they want to share and for which purpose, and clearly understand how their data will be used.

CoreMedia

Shatter the Myths.
Pull Ahead with
Personalization.

Delivering personalized experiences can mean the difference between a loyal customer and lost sales. By understanding what personalization is, what you expect to get out of it, and some of the biggest pitfalls you face, you can develop a winning strategy that can take your campaigns and your revenue to new heights.

» **Contact us** to learn how to make personalization work for you.
https://www.coremedia.com/contact
info@coremedia.com

COREMEDIA **C**

COREMEDIA **C**

Why CoreMedia?

CoreMedia is the digital experience and content management engine behind today's most iconic online brands. CoreMedia Content Cloud is a flexible, composable Digital Experience Platform (DXP) built on an agile CMS and advanced DAM that enables leaders in all industries to orchestrate personalized experiences, then deliver them to any channel – reliably, efficiently, and at enterprise scale. Marketers, merchandisers, and developers can work collaboratively and efficiently on omni-channel experiences that drive engagement, increase loyalty, improve brand visibility, and boost revenue. Leading global B2C companies (Deckers Brands, Under Armour, Luxottica, PVH Corp, Finnair, North Face, Deutsche Telekom) as well as major B2B firms (Continental, Claas, Emerson, DMG Mori) create world-class digital experiences powered by CoreMedia. We are a company of visionaries, trusted advisors, and passionate experts.