THE FUTURE OF PERSONALIZATION

Bridging the resource gap with technology

bloomreach™
Real personalization is like a teenager: difficult and misunderstood.

Today, some digital retailers offer recommendations to known customers based on prior purchases. Others suggest products that were viewed by customers “who also viewed this product.” Still others push content blocks to segments that share characteristics.

But tomorrow’s personalization blends all of today’s techniques and also understands individual consumer intent signals. It uses all that information to personalize the consumer’s total experience, including on-site product recommendations, search results and category pages, for an audience of one.
Consumers today expect a personalized experience – the feeling that a digital retailer knows them, knows what they want and knows when they want it.

Nearly 60 percent of consumers surveyed agreed with the statement, "I expect companies I do business with to understand my needs and preferences." -- SAS survey
Intent-driven personalization differentiates sites

1. 60% of consumers feel that online is more personal than in-store.

2. 34% believe online personalization is the most important reason for buying online.

3. 4 out of 5 believe that Amazon offers the most personalized experience, making them purchase more frequently.

*Redshift Research, 2014*
The bottom line

“By 2018, organizations that have fully invested in all types of online personalization will outsell companies that have not by more than 30%.”

- Gartner Market Guide

No investment

Organizations that have not invested

Greater than 30%

Organizations that have fully invested

Increase conversions

Increase AOV

Improve retention

Foster loyalty

Personalization benefits
Enterprises know one-to-one personalization is vital

Most enterprises understand that one-to-one personalization is the key to success, according to a survey of executives by e-commerce consultancy FitForCommerce.

Are you seeking to offer a 1:1 personalization strategy?

YES 55%

NO 45%
The personalization journey can be a steep climb, but it starts with the first step.

What steps toward personalization have you already taken?

- **Buy the tools**
- **Assign resources**
- **Define an optimization process**
- **Validate & optimize**
- **Segment & personalize**
- **Scale across channels**
Personalization efforts require bridging the gap

Why is there a gap?

Enterprises confront the resource gap when they realize they don’t have the workforce to go beyond “people who bought, also bought” recommendations to achieve one-to-one, real-time, intent-based personalization. Segmentation and targeting registered customers move the needle, but it’s not cost effective to segment down to a target of one.

None

Targeting
Registered customers receive offers based on past purchase.

Segmentation
Moves the needle a bit farther, but it’s not cost effective to be precise with small segments.

Connected experiences
Connects across devices.

Personalized experiences
Matches intent to content.
Know where your content is and how to use it

There's not a team big enough to wrangle the enormous amount of data available.

You need to understand and leverage all your content, no matter its function.

<table>
<thead>
<tr>
<th>PRODUCT CONTENT</th>
<th>BRAND / EDITORIAL CONTENT</th>
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</thead>
<tbody>
<tr>
<td>Descriptions</td>
<td>Institutional / How to's</td>
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<td>Specification, attributes,</td>
<td>Videos</td>
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<td>Inventory</td>
<td>Policies (shipping, returns, warranties)</td>
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<td>Reviews</td>
<td>And more</td>
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</tbody>
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The key is to match consumer intent with a website’s content

Making the match for each individual is too big a job for humans alone.

1:1 Personalization

It requires data and complex algorithms.
How do you even get started?

Let's start with a look at the customer experience and the technology that powers it.

Get her attention

Engage and close the sale

The foundation

Behind the scenes

Delight her even further

Let's Get Personal, *FitForCommerce*
Technology holds the answer

Stop underutilizing your data and content while overburdening your resources.

The technology to get the job done is out there.
Do you understand intent and content?

What do you need to know about your visitors’ intent and your available products to drive experience optimization?
Understanding intent

Visitors will tell you what you should do by what they do on your site.

How does a visitor signal his or her intent and are you satisfying it?

Ugly Christmas Sweater

Clicked the most within this query. Should this rank higher?

What other product categories did people view with this?
Optimize to customers’ language

Incorporate the language that your customers use.

Popular query: Wide calf boots on sale

Add new synonym

NEW ENTRY

| wide calf | boots |

Query

Wide calf boots
How to build intent-driven personalization

Improve category conversion.

**Issue**
high visits to ‘makeup bags’ category page, low conversions

**Insight**
not enough selection on category page

**Solution**
add more products, see revenue in category increase
Site search should constantly learn

Shouldn’t site search learn from a shopper’s behavior to optimize the content mix and ranking?
Consumers need to see that sites know them

Personalized, curated categories delight and engage.
Personalization goes beyond “people like you” or large segments

They sure ‘look’ the same on paper… Jennifer and her former roommate are both 33 years old, female, USC grads, Orange County natives…
... and nothing alike

- Heels
- Full Color Makeup
- Designer Sunglasses
- Black Cocktail Dress
- Luxury Handbags
- Retro Sunglasses
- Bohemian Maxi Dresses
- Vintage Hobo Handbags
- Flip Flops
- Natural Organic Makeup
People “sort of like you” targeting needs refinement

A/B segments and testing should be used to narrow your focus

Segment for evergreen campaigns

Manual personalization will strain your resources
Most retailers understand that personalization is a business imperative, but delivering relevant one-to-one personalization, without being creepy, has been elusive. With millions of consumers, hundreds of thousands of products and a nearly infinite way to describe them, personalizing in a manual way just doesn't make sense.

Instead, the best way to achieve one-to-one personalization is by harnessing robust algorithms and machine learning to match consumers’ intent with your content.
The future of e-commerce is contextual personalization. BloomReach is leading the way with its Digital Experience Platform, which uses native machine learning to help enterprises acquire, engage, and keep customers by offering relevant online experiences.