

Personalized Marketing and its Impact on Customer Experience

By Anthony Salerno

We've all been there: inboxes flooded with irrelevant offers for products and services that make you ask yourself, "Why am I receiving these offers?" Maybe you subscribed to an email newsletter months ago and no longer find it useful or maybe you purchased a gift for someone over the holidays and now receive every new "special offer" or "exclusive deal" that they launch. Side note: what makes these offers so special if you receive a new offer each week that is also sent to thousands of other people? MarketingProfs calls this "self-selecting." This is the process in which we ignore emails when they get to our inbox because they are no longer relevant. Tools like Unroll.Me become a good friend of yours as you look for a way to mass unsubscribe from these impersonal messages without having to sort through each email.

Consumers today desire personalization; they want to be more than just a number to a business— they expect a personalized experience that is unique to them. Personalization comes in many forms, beyond email. Customers expect a personalized experience when they contact Support, when they visit your website, and when they are scrolling through social media and see a post from your business. In the marketing world we call this contextual marketing. Simply put, contextual marketing is the personalized advertising and messaging that is created based on your customer's past search terms, recent browsing behavior, etc.

Contextual (personalized) marketing begins with the data. Without knowing who your customers and prospects are, and how they are interacting with your brand, what they are interested in, etc. how are you supposed to create a personalized experience for them? This includes website data – what are your customers and prospects looking at on your website? What products or services are they interested in? This also includes other behavioral data that can be collected through other points of the customer journey (e.g., through your call center: why did this person call in? What types of questions were they asking? What did they need help with?). Businesses (Amazon does this really well) are also

looking at behavior on social media to collect data around customer interests and identify opportunities for personalized marketing (remarketing you with a product they think you might be interested in).

With such a reliance on data and intelligence around your customers' behaviors, needs, and motivations, the question becomes, when do you cross the line from collecting data for personalization and into the area where your customers are concerned about their privacy? This is where we get into the personalization of your personalized marketing program (follow me?). A program like this shouldn't follow a one-size-fits-all approach. There are a lot of people out there (including myself) that are perfectly fine with giving up a little bit of privacy in exchange for a tailored experience that meets my needs and helps me achieve my goals more easily.

An example of this would be a rewards program that is customized based on MY individual behaviors, browsing habits and purchase history (think

Approaches to Personalized Marketing at Their Company According to Senior Marketers in the US and Western Europe*, Jan 2016

% of respondents

Use data extracted from loyalty and customer value programs to create relevant personalized offers

69%

Use behavior-based data to develop the right content based on insights and emotions

67%

Use customer data to create individualized content and offers on a channel-specific basis

64%

Integrate customer data to create individualized content and offers that span across channels

61%

Use customer data to create targeted content and offers by demographics

52%

Use demographic categories to create at least some level of personalization for unidentified prospected customers

37%

Note: n=100; *France, Germany, Italy and UK

Source: Forrester Consulting, "Inspire Customers with Emotionally Engaging Content: Contextual Relevance Sparks an Emotional Connection" commissioned by Persado, July 12, 2016

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Southwest's Rapid Rewards program and all of the personalized messaging they distribute to members). However, there are also a lot of people that are wary of the information you are collecting when they open your email, visit your website, call your contact center, etc. These are likely the people that find it creepy when they see the headphones they were researching now popping up on Facebook, Instagram, and beyond. That is why a contextual or personalized marketing program should be developed with your different customer personas or segments in mind. The wants, needs, and goals for each persona is different as it relates to consumerism; the same holds true in marketing to these individuals. Persona development doesn't always have to be a guessing game. Today, companies are working with customers to identify opportunities for creating personalized, segmented experiences through observations, interviews and personalized journey mapping exercises.

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