

SMART FOCUS

Why true
personalization
is critical to
your business



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IS PERSONALIZATION IMPORTANT TO YOU?

STATISTIC:

50% of consumers would be more likely to use retailers again if they were presented with personalized offers and information¹

Understanding true personalization

True personalization is about creating unique experiences for each and every customer.

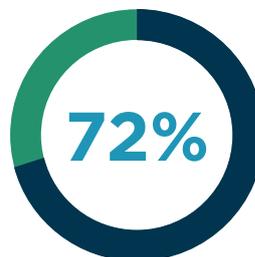
In relentlessly competitive marketplaces, knowing what your customers want and promoting your products in the right way, in the right context and at the right time has never been so important.

We know 50% of consumers would be more likely to use retailers again if they were presented with personalized offers and information¹.

Most of today's marketers already recognize the importance of personalization.

But so many businesses across retail, travel, publishing and finance are missing out on the benefits of truly personalized customer experiences - namely increased conversion, loyalty and revenue.

MISSED OPPORTUNITIES?



STATISTIC:

72% of businesses understand the importance of personalization, but don't know how to do it.²

This missed opportunity is primarily due to the misconception of what personalization really is and how it can be applied in real terms.

What true personalization isn't

Personalization that truly impacts ROI and engagement is more than just customizing a promotional email or newsletter with each customer's first name.

It's more than creating a segment that consists of your highest value customers by location. And it's certainly not just cross-selling a product to a customer because people who bought the same product also bought related products.

While these elements have importance in their own right, true personalization that attracts and keeps customers coming back for your business encompasses these elements, and much more.

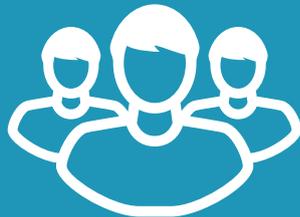
Personalization is not just:



**WEB
RECOMMENDATIONS**



SEGMENTATION



'DEAR JACK'

True personalization is holistic

1



DEMOGRAPHICS

Basic data about a customer, such as their location, gender or age

Demographics (such as gender, age or location) remain an important element but on its own is just static information about your customer. We know that 34% of businesses are able to adapt content using personal data, however this generates the lowest ROI compared to other methods³.

2



PREFERENCES

Explicit data that a customer has shared with you - such as their name or interests

Preferences are explicit pieces of information that your customer has shared with you. This may include topics or categories they are interested in, or their preferred frequency of communication. When combined with demographic data, this gives you the ability to have the beginnings of a basic conversation with customers.

Together, all four of these types of data enable your marketing to be relevant and far more likely to engage each customer with the right content, for the right reason at the right time.

That's true personalization.

3



PAST BEHAVIOR

Previous purchases or other information about a customer's past interactions

Past behavior relates to transactions or interactions that customers have had with your business in the past. This could be products they have browsed or purchased. Again, this is very useful information - but what customers bought yesterday or last week doesn't necessarily indicate all of their interests. There's more to this customer, you just don't know it yet.

4



REAL-TIME BEHAVIOR

The products, page or promotions a customer is interacting with right now

The use of real-time behavior provides that crucial understanding of what your customers are doing right now. It acknowledges that each customer is a continually moving target and enables you to adapt your marketing accordingly.



IS MULTI-CHANNEL PURCHASING IMPORTANT?

STATISTIC:

40% of consumers state it is very important to be able to purchase from a retailer via different channels³



AND DO CUSTOMERS THINK IT'S USEFUL?

STATISTIC:

Another 50% said that multi-channel purchasing is important to them⁵

True personalization is about staying personal across multiple channels

Consumers continue to find experiences with brands frustratingly inconsistent when interacting across different channels.

It's like having a great conversation with a shop assistant one day, but the next day they have no idea who you are.

In the age of the always connected consumer, multi-channel marketing is more than just using multiple means to reach a customer; it's about understanding how your customer interacts with your brand across different channels and delivering a consistent, personalized experience across those channels.

For marketers, this presents a significant challenge. As Forrester notes, "The explosion of personal technologies and social network connections has ruptured the formerly linear customer purchase path, disrupting what it means to have a seamless brand experience."⁴

There's also a high consumer demand for multi-channel experiences. We know that 40% of consumers state it is very important to be able to purchase from a retailer via different channels, while another 50% said it would be useful³.

Marketers are not helped by the fact that a lot of providers offer personalization technology, but many only enable personalization through a single channel using basic sources of customer data.

To regain control of the customer experience and become truly multi-channel, marketers must focus on building an on-going relationship across channels by utilizing data to understand what each customer wants.



What does true personalization look like by channel?

True personalization is about delivering a consistent experience across channels that customers use to interact with your brand

WEB

Use real-time and past behavior, preferences and demographic information to understand each customer and tailor the website experience accordingly.

EMAIL

Optimize email campaigns through adapting subject lines and personalizing dynamic content based on customer understanding.

SOCIAL

Improve social marketing ROI using preferences and demographic data to deliver relevant updates and environments to individuals through social media.

MOBILE

Ensure that personalized web and email experiences translate seamlessly for mobile devices. Delivering relevant content or offers at the right time through SMS marketing or mobile apps.

IN-STORE

Empower sales assistants with past-behavior and preference based customer data to improve the shopping experience using iPads and kiosks.

CALL CENTRE

Maximize the effectiveness of customer calls with relevant offers, up-sells and cross-sells using past behavior, preferences and demographic data.

Why true personalization matters

True personalization makes you more money



STATISTIC:

Econsultancy found businesses that use personalization are seeing an average 19% uplift in sales²



STATISTIC:

59% of marketers say they are getting a good return-on-investment from personalization²

Econsultancy found businesses that use personalization are seeing an average 19% uplift in sales²

By promoting products and offers to the right people, marketers who implement website personalization see a significant return-on-investment.

But businesses that truly personalize customer interactions don't just benefit from increased sales and revenue - they create better customer relationships and build long-term loyalty.

Whether customers are opening your email campaigns, interacting with your business on social networks or returning to your website, delivering a relevant experience positively improves brand experiences. It will also generate opportunities to increase customer lifetime value.

On average, personalization also saves £2,500⁵ of time per month by automating the manual elements of merchandizing. This frees up valuable time for marketers and merchandisers to concentrate on strategy execution.

Your customers expect truly personalized experiences



STATISTIC:

50% of consumers¹ would be more likely to use retailers again if they were presented with personalized offers and information



STATISTIC:

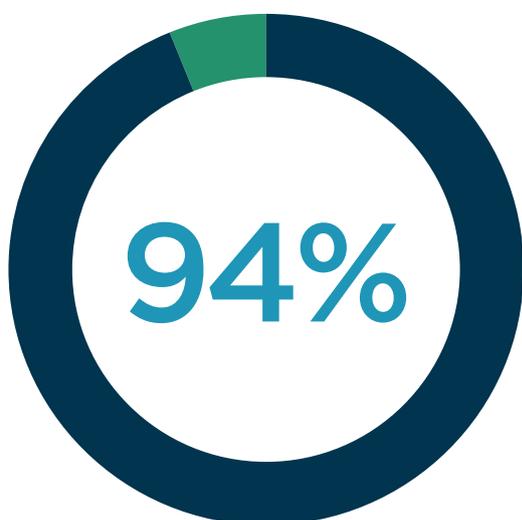
84% of customers would no longer buy from an organization that failed to take account of their preferences and purchasing history⁶

More customers than ever expect relevant experiences - and providing personalized offers and information encourages loyalty and sales.

Personalization also makes navigating websites and other touchpoints easier to use - creating smoother, simpler experiences by remembering each customer's interests and adapting interactions in real-time.

With so many different interaction touchpoints, customers now expect smooth and consistent experiences across multiple channels - whether that's web, mobile, in-store or call centre. For businesses, this requires a holistic view of customer interactions: a central database of customer preferences and behavior.

Your competitors are already doing personalization



IS PERSONALIZATION A PRIORITY?

STATISTIC:

94% of businesses say personalization is critical to their current and future success²

Marketers are fast overcoming budget, IT and technology barriers to get ahead with personalization. With the need to differentiate their business' offering through service, improving the customer experience is high on the agenda.

Not personalizing is a risk for your business

Businesses that don't attempt to personalize aren't just missing out on sales and revenue – they are at risk of losing customers for life.

“If we were unable to personalize content for any reason, the result would be:

“Poor customer experience to the point of frustration on behalf of the consumer. We would experience a very real loss in profits.”

Econsultancy survey response⁷

Marketers who aren't yet using personalization shouldn't resort to lower-impact methods that won't help achieve their goals. Instead, marketers need to aim for true personalization that meets their current and future needs to ensure they don't miss out on increased sales and revenues.

Whilst the adoption of personalization technology is growing, businesses need to be forward-thinking, leap-frogging competitors instead of catching up by using lower-impact personalization tactics. To future-proof their marketing strategy and ensure they don't miss out on increased sales, revenues and customer loyalty, marketers need to ensure their personalization strategy and technology selection meets their needs.

Whatever your industry, true personalization works

Here are some examples of businesses who have already begun their path towards true personalization:



SMALL RETAILERS

A successful niche retailer uses real-time personalization to both engage customers with relevant content and encourage sales with personalized product recommendations. By using preferences and real-time behavior, the retailer adapts their homepage with relevant blog articles based on the visitor's interests. At the same time these blog posts are then dynamically merchandised with relevant product suggestions.



BIG RETAILERS

One of America's largest retailers uses personalization to enhance the shopping experience with relevant product recommendations based on past-behavior and demographics. Using a blend of crowd-based and individual behavior, its website now reacts to macro trends whilst catering for each customer's unique preferences – displaying personal product suggestions that increase sales.



TRAVEL

A low-cost airline uses demographics, past and real-time behavior to personalize its website.

Using the visitor's location to dynamically adapt the homepage for each customer, the site shows flights from their nearest airport and changes content and images based on the visitor's previous behavior. This simple personalization is significantly increasing conversions.



PUBLISHERS

An online news site uses personalization to understand the interests of each individual visitor to increase time spent on site, page views and advertising click-throughs. Recommending both 'hot' trending articles and similar articles on content pages, the publisher has seen time on site increase by 40%. The use of personalization to create personal, relevant environments has tripled the number of return visitors.



FINANCIAL SERVICES

A French financial services company uses personalization to understand customer behavior and personalize its email marketing to improve the customer experience. By targeting newsletters using the customer's behavior (including their account status, demographics, real-time behavior and other activity), the company has seen an increase in customer value. The system also decides whether a customer will be more responsive to up-sell promotions via a letter, phone call or email, based on their previous history.

TRUE PERSONALIZATION IN ACTION:

Donald Russell

Recognize your customer like they've just walked back into your store

AIM

Increase sales and provide truly personalized customer experiences by recognizing each customer, and use expert knowledge to offer relevant recommendations.

HOW IT'S DONE

When a customer shops on Donald Russell's website, SmartFocus remembers what kind of meat the customer is interested in, what sizes they are looking for and what categories they buy in.

Throughout the customer journey, and whenever a customer returns, the site displays relevant promotions and product suggestions. It means a pork-buying customer will be suggested bacon and pork roasting joints, whilst a customer who prefers poultry will see recommendations for chicken, duck and turkey meat. Business rules are also used – for example, suggest products above a minimum price to increase average order value.





TRUE PERSONALIZATION IN ACTION:

Majestic Wines

Use expert product knowledge to automate personalized recommendations

AIM

Replicate the in-store experience and grow sales using their expert knowledge to make alternative and complementary wine suggestions.

HOW IT'S DONE

Majestic Wine has hundreds of knowledgeable wine-experts within its business. In-store, each customer receives a personal experience with the sales assistant learning the customer's preferences, likes and dislikes.

With SmartFocus, Majestic Wine has replicated this experience on its website by using transparent algorithms and rules, instead of "black box" systems (which decide what content to show without input from marketers or experts). Majestic Wine's product recommendations are now decided using the collective knowledge of its experts, enabling the website to suggest the perfect bottle of wine, every time.



TRUE PERSONALIZATION IN ACTION:

Astley Clarke

Improve loyalty by knowing each customer

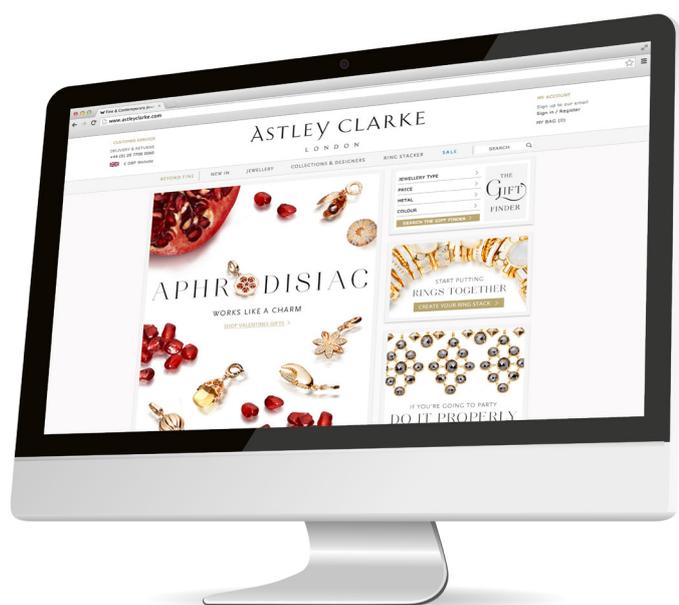
AIM

Increase customer loyalty by remembering customer preferences and curating recommendations based on customer understanding.

HOW IT'S DONE

Instead of promoting the opinions of all customers (through traditional best-sellers or “people who bought this also bought”) true personalization allows Astley Clarke’s website to adapt based on the real-time behavior of each customer.

Using SmartFocus, Astley Clarke can ensure recommendations are similar to those that an expert Personal Shopper might suggest. Whilst learning the customer’s favourite gemstone or jewellery type, Astley Clarke knows that customers are more interested in the designer and type of precious metal. This is then reflected in personalized product suggestions across the website. The website is also collecting valuable data that can be used to power relevant product recommendations in its email campaigns, increasing response rates.



Looking forward

As with any emerging technology, early adopters have taken the lead in personalizing web and email experiences.

The increased focus and adoption of true personalization shows that businesses understand they need to be relevant to keep customers happy.

In the future, more businesses will provide truly personalized experiences to every individual customer across multiple touchpoints – web, email, mobile, social and offline. Marketers will be using customer data across more and more touchpoints to enable the consistent brand experiences that consumers are now demanding.

Personalization is also getting smarter. Self-learning analytics enable personalization systems to predict what customers will do next, instead of recommending based on what a customer has done or is doing. This scientific approach will improve already-impressive results and help marketers to exceed their goals.

Conclusion

True personalization is more than just using a customer's name in a promotional email, or suggesting "people who bought this also bought" product recommendations. It's creating unique, always relevant experiences for every customer.

True personalization generates meaningful results – increasing sales by 19% and delivering significant return on investment – and 94% of marketer's say personalization is critical to their future success to drive sales². Although some marketers are already adopting personalization technology, winning customer mindshare requires technology that drives true personalization.

Adopting technology that drives true personalization doesn't need to be painful. Until recently, personalization required a large time and cost investment from various departments. With the right technology, marketers are now able to get started with personalization in less than a day.

To succeed, businesses need to implement multi-channel personalization strategies for the long-term with the aim that no two customers should have the same experience.

Three things to consider

To make your personalization strategy successful, you need the right technology.

With many providers claiming to offer some level of personalization – from basic to large, expensive systems – you need to make sure you choose technology that meets your needs now and in the long term.

1 Real-time behavior drives true personalization

Being able to understand and adapt experiences for each customer in real-time is crucial. Remember, it's no longer enough to personalize interactions using old and outdated information – your customers expect more.

2 A single integrated marketing platform saves you time and resources

Creating personalized experiences across multiple channels doesn't need to be expensive or resource-heavy. Using a single platform saves you significant time and effort compared to multiple platforms for your personalization technology and your email, web, mobile or social marketing.

3 Self-learning analytics help you to sell more

Without self-learning analytics, personalization technology is limited to suggesting products or content based on what each customer has browsed or purchased. Self-learning analytics use intelligence to help you to predict a much broader set of articles, products or topics they are likely to be interested in.

SMART FOCUS

About SmartFocus

The Internet of Everything is the macro-trend of connectedness that's changing the way customers shop. With more than half of online visits and a third of eCommerce transactions now coming from mobile devices, mobile and proximity marketing are more important than ever.

At SmartFocus, we have capabilities to provide context-aware marketing for a mobile world. Our technology will help you truly know your customer and engage them with the right message, at the perfect moment, wherever they are - in store and online across all of their preferred channels.

SmartFocus is the leader and innovator in contextualized and personalized messages. Our platform includes beacon technology that knows when your customer visits a physical store; real-time predictive recommendations generated at the precise moment they open your email or visit your site; and powerful insights that use smart analysis of Big Data to effortlessly generate a truly personal experience.

For more information, please visit us at:

www.smartfocus.com

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BELGIUM

CHINA

FRANCE

GERMANY

HONG KONG

SPAIN

SWITZERLAND

UNITED KINGDOM

UNITED STATES

SmartFocus

18 West 18th Street, 11th Floor
New York, NY 10011, USA

Tel: +1 (212) 257-6018

Fax: +1 (646) 783-7982

www.smartfocus.com