Personalization
Adapting to Today's Customers

An eClerx Digital White Paper

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Personalization
The key to driving higher conversion

Customers have changed. For numerous reasons, the great movement to digitization has brought about significant shifts in the needs, wants, and expectations that companies must deliver on. The advertising, outreach, and delivery models that worked 5 years ago—even 2 years ago—just don't cut it now. And it doesn't make it easier that the competition has become tougher, as firms invest more and more into nuanced data and technology to offer more tailored customer experiences.

So, how do you cut through the noise and authentically connect with customers? Hyper-personalization. With the help of digital-first strategies, advanced AI, and data-driven decision-making, you can focus more closely on individuals rather than broad categories and unlock dormant customer value with high impact.

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Why is personalization the answer?

While it's perhaps not the most novel concept, personalization has yet to be utilized to its full potential by many firms. The truth is that customers have access to so many brands and devote such little time to each that the only firms that stand out are those that take the time to connect personally.

And the key to doing so is by leveraging data, analytics, AI, and automation to send highly contextualized communications to particular consumers at the right time, in the right place, through the right channel.

By doing so, companies can take a step forward in the increasingly competitive digital marketing space and craft tailored experiences to engage customers, strengthen current connections, and establish new ones.

With experience supporting firms in implementing these strategies, eClerx Digital has extensively leveraged data and analytics to effectively connect to customers. In the next sections, we highlight an example of the positive growth that we helped a client achieve through targeted categorization and personalization efforts to boost customer satisfaction, brand loyalty, propensity to spend, average order value, and the overall efficacy of marketing campaigns.

Case study

One of the largest, most dynamic hotel groups in the world, with nine individual brands and more than 1,500 hotels internationally, was struggling to seamlessly and effectively implement personalization strategies and needed to turn things around.

Our team was onboarded by the client's digital function to collaborate cross-functionally with traditionally disparate marketing, ecommerce, digital, and content functions and tackle three business challenges:

1. Divide a large number of customers into personas based on their:

   • characteristics
   • tastes
   • preferences
   • requirements
   • motivations
   • spending habits
   • behavior

2. Boost the effectiveness of marketing initiatives by raising conversion rates through more targeted, localized personalization

3. Measure and isolate the impact of personalization given the large number of initiatives running concurrently across channels

With these three goals in mind, eClerx's Digital Analytics Center of Excellence first leveraged machine learning models to capture customers' characteristics, tastes and preferences, needs, motivations, and spending behavior to create a unique digital footprint based upon 100+ attributes. Through this, we developed specific customer personas that can be targeted through campaigns to improve overall conversion by showing relevant content.

Once this was completed, the team captured insights at the persona level for each local market, painting a clearer picture of the challenges marketing directors were facing across various initiatives.

Taking it a step further, after helping activate the trials, we defined the end-to-end contact strategy and assessed how best to isolate the impact of personalization in light of competing priorities.

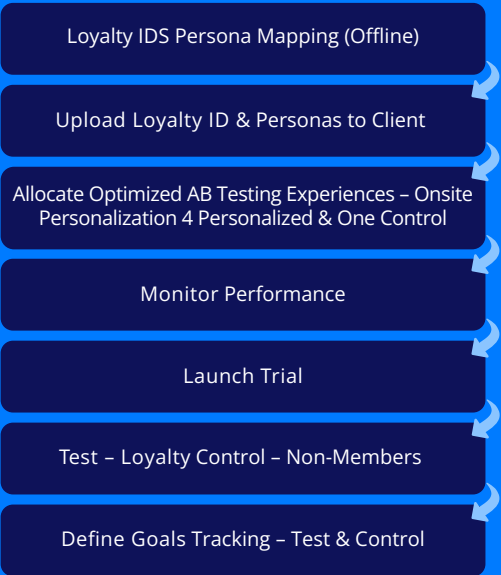## Personas based on customer spending behavior, demographics, purpose of travel, and sensitivity to promotions.

	Business travelers/Quick decision-makers	Family trip seekers	Couples with no kids	High value customers
Avg. revenue/ booking & number of nights	228 (2)	541 (3)	245 (2)	467 (3)
Time spent on the website vs. avg. lead time (weeks)	Low/6	High/9	Low/7	High/11
Purpose of travel (children)	Business/Leisure (0)	Family/Leisure (0)	Low/7	High/11
Discount %	9-11%	9-11%	12-14%	8-10%
Domestic/ International	Domestic	Domestic/ International	Domestic	International
Number of bookings	14% more than family & couples (no kids)	~ 1 booking in a year	Domestic	10% more than family & couples

Executing the contact strategy and measuring results and success

Once set up, we ran two multi-country trials to evaluate the program's benefits, targeting both mature and immature markets to prevent bias. This resulted in one million euros of incremental revenue from conversion for isolated customer bookings driven solely by the activated personalization. The client was also able to leverage the personas to build synergy across other channels, such as CRM for email marketing linked to an individually unique customer identifier.

This program helped eClerx understand the end-to-end implementation process and recommend a scalable process for more activations for the client across multiple functions and properties in the future. This process included using ML models on client data, implementing personas linked with relevant content on the client's website (desktop and mobile), and isolating the impact of personalization.
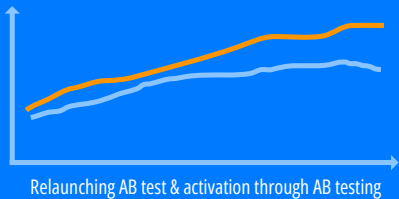
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TRIAL ACTIVATION PROCESS

Loyalty IDS Persona Mapping (Offline)

Upload Loyalty ID & Personas to Client

Allocate Optimized AB Testing Experiences – Onsite Personalization 4 Personalized & One Control

Monitor Performance

Launch Trial

Test – Loyalty Control – Non-Members

Define Goals Tracking – Test & Control

Experienced team support on
CRO & AB testing development

ACTIVATION OF TRIALS

REFINE STRATEGY

EXPERIENCE	VARIATION 1	VARIATION 2
Persona 1	✖	✔
Persona 2		

Relaunching AB test & activation through AB testing

Optimizing the variants for
onsite presentation

AB TESTING & OPTIMIZATION

ANALYZE

Post-Test Analysis (AB Testing 1/4)

CX View Using Session Replay Analytics
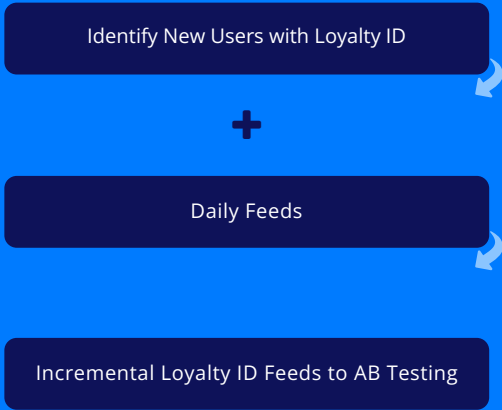
Test vs. Control Performance

Determine Uplift

360-degree view on test performance using
digital analytics & session replay analytics insights

MEASUREMENT

INCREMENTAL LOYALTY FEEDS

Identify New Users with Loyalty ID

+

Daily Feeds

Incremental Loyalty ID Feeds to AB Testing

Adding more loyalty users every day
to have better coverage

INCREMENTAL DATA FEEDS

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Incremental revenue

IMPACT OF PERSONALIZATION ON REVENUE

INCREMENTAL REVENUE
(because of personalization)

TOTAL REVENUE
(generated during trial period)

EXPECTED REVENUE
(without personalization)
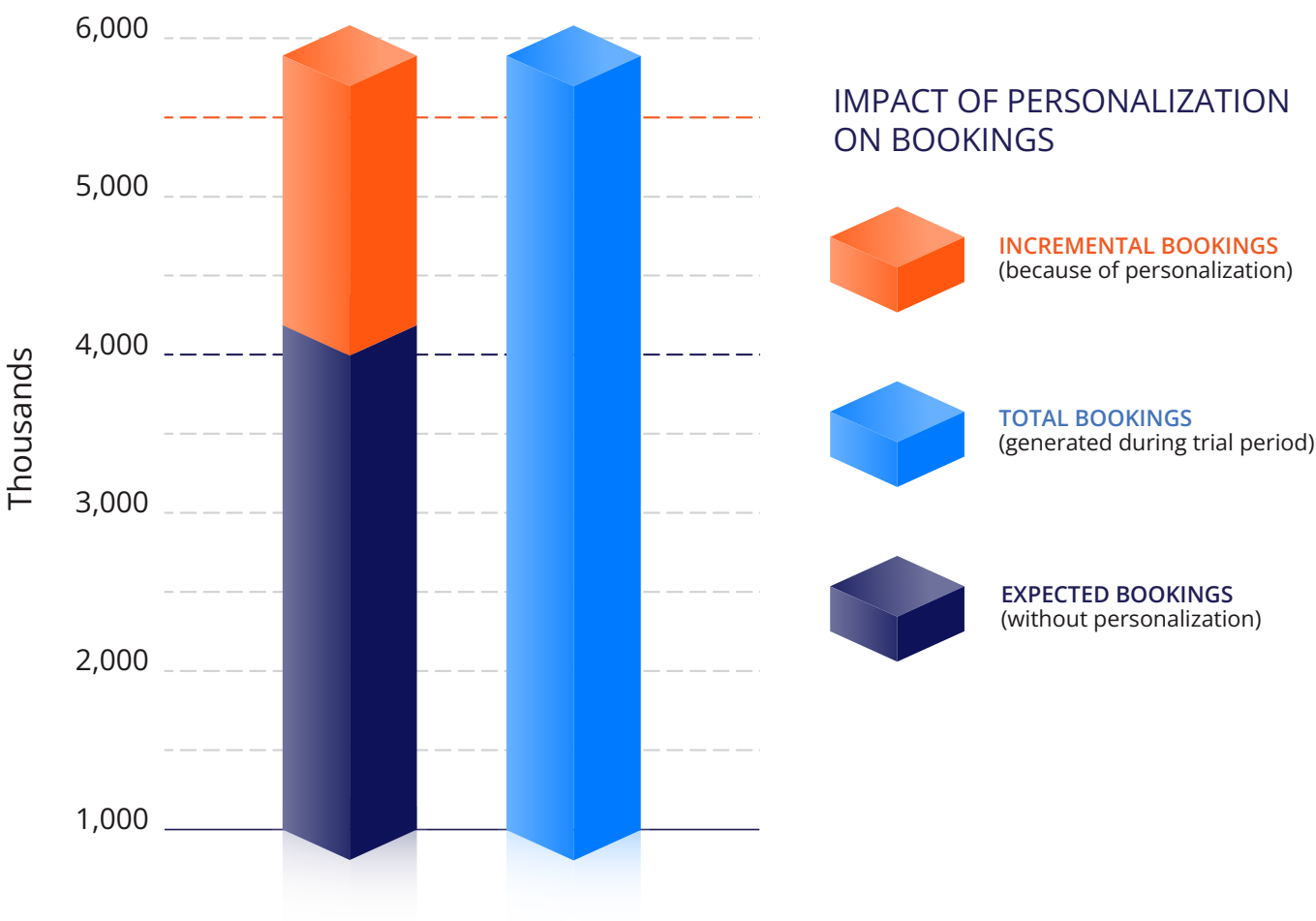
After a trial of one persona for personalizing an end-of-summer (5 markets) yielded an isolated €300k incremental uplift, the personalization of 3 personas for the client's global winter campaign across 8 markets resulted in much more additional revenue and conversion lifts (4.8x compared to the first trial).

Incremental bookings

IMPACT OF PERSONALIZATION
ON BOOKINGS

INCREMENTAL BOOKINGS
(because of personalization)

TOTAL BOOKINGS
(generated during trial period)

EXPECTED BOOKINGS
(without personalization)

Collaborating with multiple departments, our team delivered end-to-end personalization and helped devise a scalable process for future activations. In addition, the project presented several opportunities, such as the expansion of eClerx's personalization program to global markets as well as content intelligence, more informed content production, and marketing attribution modeling capacities for future spend decisions.

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Creating a roadmap
for success

As this example highlights, by using data and analytics to craft tailored customer experiences, you can generate positive growth in revenue and brand value.

However, while personalization holds immense potential, remember that, like any other strategy, there is no one-size-fits-all approach that can provide immediate impact for any firm. Companies need to analyze when and how to adopt personalization tactics, and through an iterative approach as our client did, apply learnings to the next trial or activation for a campaign in an agile manner.

While there are many opportunities to personalize experiences throughout the buying cycle, don't forget to prioritize. Measure the benefits of each initiative against their implementation costs, looking at factors such as customer satisfaction and industry dynamics, as well as ensuring to set both micro and macro end goals.

If your goal is conversion, don't underestimate the positive impact of Customer Lifetime Value (CLV). By focusing more on your retention strategy and activating personalized marketing to enrich loyalty programs, discounts, or special deals, you can develop cost-effective methods for encouraging purchases (or increased spend) as our client found. Similarly, if you want to win back either faithful or dormant customers alike, you might focus on streamlining the purchasing experience and deepening relationships through tailored communications.

Regardless of the goal, remember that solutions will change over time as customers' needs change, and your subsequent personalization activations should too! Accurate personalization depends on timeliness and the continuous collection of relevant data for decision-making. The total cost of implementation will differ from one company to the next, depending on their experience and appetite to invest.

To make the most of available resources, it's best to focus on low-cost, high-impact activations that will deliver benefits while creating as little disruption to customer experience as possible, and prioritizing their demands at the same time. Companies should tailor their solution selections to fit their brand identity, client base, and market positioning by closely analyzing their priorities and the current situation at the time of each trial.

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Many of our clients try to activate personalization with agility, speed, and scale to deliver tangible, incremental benefits and define the use cases that personas can address for their businesses. One client found that personas and their digital footprint could be leveraged in their bidding strategy and marketing decisions and inform their campaign strategy by channel, not only content personalized onsite. The key to success in these efforts is to create personalized local content, optimize design and AB testing, and establish end-to-end customer journey performance measurement to ensure you connect with your customer needs."

Prashant Patel
Senior Client Engagement Leader
eClerx Digital

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Tying it all together

Building genuine relationships with customers is the cornerstone of every successful marketing strategy.

As technology continues to advance, the amount of available consumer data, customer expectations, and the number of competitors increase with it. It's only a matter of time before hyper-personalized marketing becomes an integral aspect of every winning marketing strategy.

And that means the time to create a hyper-personalized strategy supported by data, analytics, and AI tools that helps you connect with your target audiences and achieve success in the market is now.

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Choose a partner you can count on

Knowing you have to create a strategy to unlock customer personalization is one thing. But successfully delivering it quickly and cost efficiently is another. To successfully execute these strategies, it's best to collaborate with an experienced partner that has a proven track record of helping firms take their personalization programs to the next level.

With years of expertise and dedicated solutions, eClerx Digital has partnered with countless firms to revolutionize customer strategies and realize value. And we are ready to use that experience as an extension of your team to help start your journey today!

Get in touch with us.
www.eclerxdigital.com
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About eClerx Digital

eClerx Digital is the trusted partner of choice to many of the world's largest global brands for creative production, eCommerce/web operations and analytics and insights services. We help clients maximize the results of their digital activities across the customer journey. We complement existing capabilities through data analytics and marketing support. Global industry leaders partner with us to cost-effectively scale their digital activities by leveraging our highly-skilled and blended resource model.

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