

Acquia
EXPERIENCE DIGITAL FREEDOM

***USING CUSTOMER
INSIGHT FOR CX
PERSONALIZATION:
WHICH DATA
MATTERS MOST?***



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INTRODUCTION

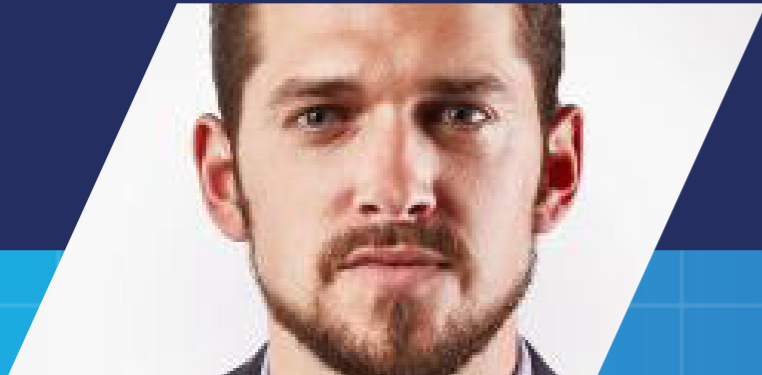
While most marketers understand the value of capturing and analyzing customer data in aggregate, many still struggle to extract value from personalized customer data. Yet, this is arguably where the highest value lies.

By using advanced personalization techniques, organizations can not only learn more about their customers, they can also create digital journeys that match user preferences and expectations. Seamless, cross-channel experiences are proven to deliver higher rates of conversion and loyalty, but creating them requires a forensic understanding of which data matters most.

In this e-book we analyze which customer data enables you to provide the most engaging digital experiences. Citing insights from a team of independent thought-leaders, with examples taken from the entertainment, financial services and retail sectors, we offer a mix of practical guidance and actionable insights.

**THE E-BOOK FOLLOWS A
WEBINAR OF THE SAME NAME.
YOU CAN LISTEN TO THE FULL
RECORDING ONLINE**

CONTRIBUTORS



Eric Fullerton is a product marketing leader for Acquia's personalization and journey orchestration products. His passion for solving for the future of digital comes from living it firsthand for the past 10 years. He has navigated the divides among people, process, and technology at small organizations and global tech giants alike as he continues his journey to excite employees and engage customers through the power of digital marketing.



Cyril Coste is the Director of Digital Transformation at DTX Advisory and has more than 20 years of experience. Having pioneered digital transformation at Hewlett-Packard Enterprise and advised global brands such as Carrefour and Barclays on digitization, he has been recognized as the U.K.'s most influential independent digital transformation expert. He has been listed among the top 100 **Global Digital Transformation Influencers** since 2015.



Daryn Mason is an independent CX and CRM consultant with 30 years of experience working with brands. A former senior director at Oracle Marketing Cloud, he advises on all aspects of customer experience, from culture, through employee engagement, to customer experience excellence. He believes that brand success is rooted in low effort, dependable and innovative products and services and in moving forward in a rapidly evolving world.

HOW TO CHOOSE THE RIGHT DATA

ALL DATA IS NOT EQUAL

As the world of business has evolved, so has data. 15 or 20 years ago, as CRM systems started to become commonplace, the majority of data was first-party, i.e. supplied directly by customers.

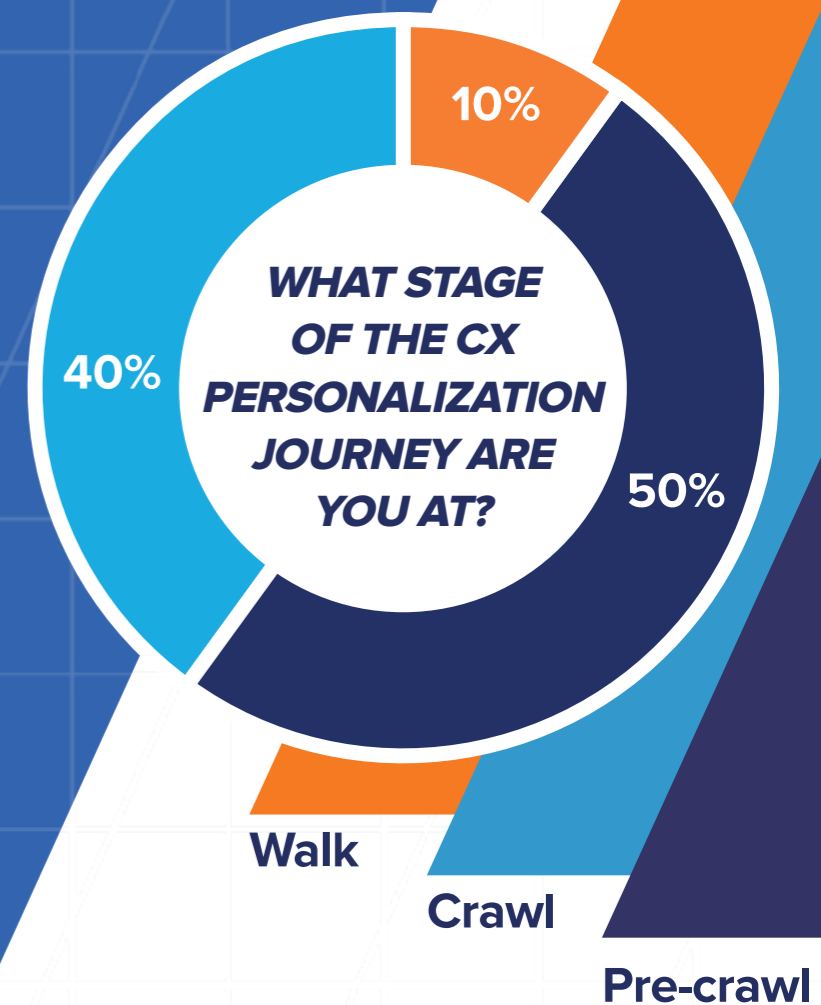
These days the customer data landscape is far richer. Each time people interact on your website or marketing channels, you are able to capture their behavioral data. Through third-party networks you can also make use of a wealth of

anonymous or aggregated data, which can be used for targeting or analytical purposes.

These different types of data open different opportunities that are more (or less) relevant to you depending on where you are in your CX personalization journey. Everyone starts by capturing customer names and emails but, according to Eric Fullerton, companies should set their data sights way beyond these basic requirements. He highlights three types of data to consider:

“Everyone starts by capturing customer names and emails... companies should set their data sights way beyond these basic requirements.”

- Eric Fullerton



WE POLLED OUR WEBINAR VIEWERS TO ASK WHAT STAGE OF THEIR CX PERSONALIZATION JOURNEY THEY WERE AT. ALMOST ALL WERE JUST STARTING (“PRE-CRAWL”) OR IN THE EARLY STAGES (“CRAWL”).

THE THREE TYPES OF DATA

1. BASELINE DATA

What we call ‘baseline data’ includes things like: what device is someone on? What operating system are they using? What geolocation are they coming from? When did they visit the site? Are they a first-time visitor, a new or returning visitor? This kind of data is critically important to those just starting out in CX personalization, as it enables some early ‘quick wins’ in terms of encouraging users to modify their behaviors towards more positive outcomes.

2. ACTIVITY DATA

Activity data represents a more sophisticated level of insight. It relates to the things that someone may be doing on your website or mobile app, or even offline or in-store. It includes things like: how long are they spending on our website or app? What different pages are they looking at? What are they clicking on? What adverts are they clicking on? What information are they clicking on? What are they downloading? And, what kinds of products have they purchased?

3. BEHAVIORAL DATA

Potentially the most important type of data is ‘behavioral’. This is where we’re taking Baseline Data, plus the Activity Data and making inferences to really understand the customer. Questions we seek to answer from Behavioral Data might include: where in the purchasing funnel is this person? What type of content do they prefer? What is their favorite product? Or their preferred marketing channel? What is their visitor or buyer type? Are they a ‘power user’ or a top-tier visitor?



“Only take enough data off the data buffet that you’re going to actually consume. Don’t pile your plate too high.”

- Daryn Mason

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CAN YOU HAVE TOO MUCH DATA?



Cyril Coste works with a number of large retail brands that capture vast quantities of data, but working at such a scale can lead to problems. As he explains, “you need to take into consideration the freshness of the data that you are going to collect. It’s dangerous, especially when you start, to try to capture everything you can about a customer and their activity”. The impulse to capture every piece of data is strong, but more data isn’t necessarily better. Cyril’s advice is clear: “data hoarding is one of the biggest challenges I’m seeing right now with my clients who are advanced in the personalization stage. Only capture information that you know you are going to use.”

Acquia’s **Eric Fullerton** supports this view: “for those in the beginning stages of personalization, it’s true: you definitely can collect too much data. Depending on the size of your team, your budget and your customer experience goals, the huge amount of data that’s available today can be overwhelming.”

CX specialist, Daryn Mason, makes the same point even more succinctly: “Only take enough data off the data buffet that you’re going to actually consume. Don’t pile your plate too high because it’s just pointless!”



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“People are not afraid to share their personal information, but at the same time, they don’t want a creepy experience.”

- Cyril Coste

WHEN DOES PERSONALIZATION BECOME CREEPY?

According to a recent study from Accenture 83% of customers are willing to share their data to enable a personalized experience. Yet, conversely, 41% of people find it intrusive when they enter a store and receive a text or a message from the retailer. As Cyril Coste says, “people are not afraid to share their personal information, but at the same time, they don’t want a creepy experience”.

Data experiences that customers find intrusive often relate to real-time activities or preferences. For example, telling them that you know where they are, who they are with, what they are buying and what they are sharing. You may have all this information for perfectly valid reasons, but using it for communications might be risky.

Eric Fullerton stresses that coming across as creepy can be avoided if you stick to accepted social norms: “it’s important to understand that by engaging with you on a specific channel, your customers are telling you to engage with them on that channel. They won’t expect you to engage with them via a different one. Social norms apply to data-driven communications. Just because you go and have a coffee with someone, it doesn’t mean they can drop by your house.”



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“Social norms apply to data-driven communications. Just because you go and have a coffee with someone, it doesn’t mean they can drop by your house.”

- Eric Fullerton

41%

OF PEOPLE FIND IT INTRUSIVE WHEN THEY ENTER A STORE AND RECEIVE A TEXT OR A MESSAGE FROM THE RETAILER¹.

¹Source: Accenture Personalization Pulse Check Report

WHAT IMPACT IS LEGISLATION HAVING ON DATA CHOICES?

On the 25th May 2018 the European Union's General Data Protection Regulation (GDPR) came into force.

This legislation, which affects any organization that holds data relating to European citizens, imposes strict restrictions on how data can be acquired, maintained and used.

Any companies failing to follow the rules face significant fines. Early in 2019 Google was fined \$57 million by CNIL, France's data regulator, for a GDPR breach.

Undoubtedly, reviewing GDPR and other data protection legislation in the areas where your company operates is essential to planning and running an effective CX personalization strategy.

HOW TO USE DATA TO PERSONALIZE CX

The advice from our expert panel for those just starting out in CX personalization is to “**start small and focus on the low-hanging fruit**”. If you can deliver a personalized experience on your website or mobile app, it’s a great starting point.

Eric Fullerton, of Acquia, recommended starting with two simple questions: “what is the simplest thing I can do that will have the highest impact?” And, “what small change can I make that will inspire someone to take just one action on my site?”

Digital Transformation consultant, **Cyril Coste**, suggests you start by defining your customer personas and mapping out specific journeys that match their knowledge, experience and expectations. Millennials, for example, are likely to require a different user journey

to someone in their 50s, while tech-savvy users are likely to expect a ‘smarter’ journey than those with less technology knowledge, who will need more signposting and guidance.

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WHAT SMALL CHANGE CAN I MAKE THAT WILL INSPIRE SOMEONE TO TAKE JUST ONE ACTION ON MY SITE?

- Eric Fullerton

SIMPLE EXAMPLES OF CX PERSONALIZATION IN ACTION

During their discussion our experts highlighted several examples of CX personalization best practice that are already delivering value to millions of consumers.

SPOTIFY compares your personal taste in music to those of your peers and presents you with a personalized playlist of music you might like. The data they use to inform this isn't just the type of music you listen to, it can include a range of data, such as your gender or how much music you listen to.

A **UK ENERGY** company uses CX personalization to send messages to customers when there is a power-cut. This message needs to be personalized for different groups of recipients. For example, those using electrical medical devices need an SMS direct to their cell-phone, while most customers can just receive it via email. This simple automation saves lives.

STARBUCKS encourages customers to use its mobile app for its Rewards Programme, which has around 15 million members. In return for accessing customer preference, location and spend data, Starbucks enables customers to pre-order and pre-pay for drinks, so they can skip the queue and just stop by to pick up their drink.

WHAT DATA SHOULD YOU USE FOR CX PERSONALISATION?

One of the most frequently asked questions by companies seeking to start personalizing the customer experience relates to the types of data they should capture and use. For example, what kinds of data are the most useful? And where should they focus their data-capture efforts? Our panel suggested five categories of data that are commonly used for personalization:

1. GEO-LOCATION – Every organization ought to make use of customer location data, but it is especially valuable for retail businesses and those that run events. Businesses where weather patterns are an important factor also rely on location data.

2. CAMPAIGN TYPE – Knowing which marketing campaigns a customer has engaged with

gives you an insight into their preferences. For example, if they replied to an email, you can explore that journey with them. If they reacted to a specific item of content, you may tempt them with a related topic.

3. ONLINE ORDERS – For online retailers one of the most critical data points to track is the repeat orders and average basket size. This provides a valuable health-check for your sales as well as insight into how your customers are feeling about your products.

4. VISITING FREQUENCY – What do you want to show to a first-time visitor to your website? And to a repeat visitor? By creating different journeys for newcomers, as opposed to regular visitors, you can provide a more appealing experience for both personas.

5. DAY/TIME OF VISIT – If a customer is coming to your website or app on a weekend, you may want to treat them differently to someone visiting during working hours. Likewise, those browsing during commuter times may need a different experience to ‘night-owls’.

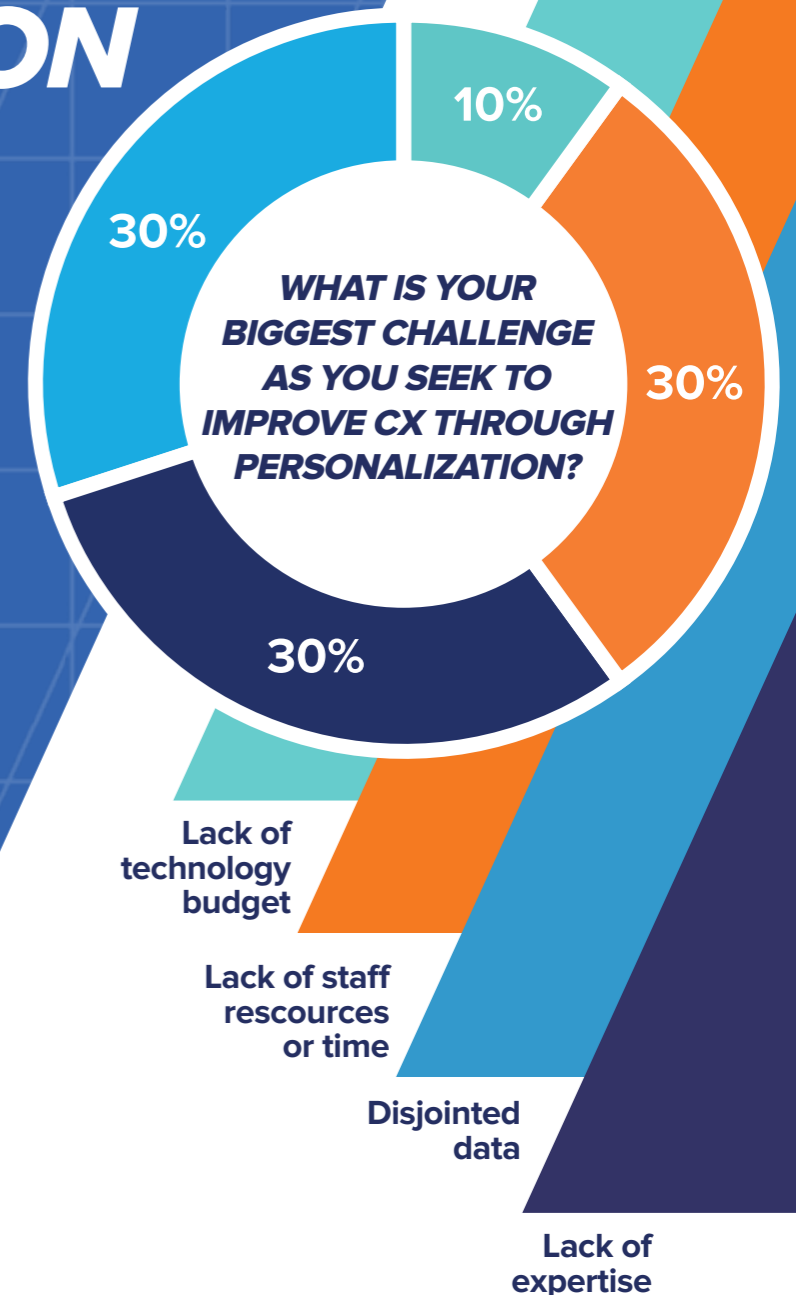
6. DEVICE TYPE – Companies will often prioritize showing maps and location features to customers browsing on mobile devices, as the assumption is they are trying to find something or get somewhere. Conversely laptop/PC users are more likely to be doing browser-based activities or researching.

HOW CAN CX PERSONALIZATION GO WRONG?

OUR PANEL CITED SEVERAL SPECIFIC EXAMPLES OF WHERE CX PERSONALIZATION HAS NOT PRODUCED POSITIVE OUTCOMES:

One company invested significant resources into personalizing the background of their website to match the location of people browsing their site. Their site then showed each user a tailored landscape of their region or cityscape of their town. Although quite novel, there was very little actual value to the customer or the business.

Many digital adverts suffer from out-of-date personalization. The freshness of data is important, especially if you are spending advertising money on reaching customers. This is particularly common in the travel sector where, if you are re-targeting someone who was searching several weeks ago, chances are they have already booked their trip.



WE POLLED OUR WEBINAR VIEWERS TO ASK WHAT THEIR BIGGEST CHALLENGE IS AS THEY SEEK TO IMPROVE CX THROUGH PERSONALISATION. LACK OF STAFF RESOURCES OR TIME, DISJOINTED DATA AND A LACK OF EXPERTISE WERE THEIR BIGGEST CHALLENGES.

RECENT ADVANCES IN CX TECHNOLOGY

As in many areas of digital communication, developments in technology are having a major impact on CX strategies. **Artificial Intelligence (AI)** and **Machine Learning (ML)**, voice activation and chatbots, are freeing up consumers from fixed, linear customer journeys and creating opportunities for more loosely structured journeys that suit modern lifestyles and expectations.

Similarly, the **Internet of Things (IoT)** now enables companies to capture data and personalize customer experiences on a vast array of electrical products and devices.

DURING THE WEBINAR OUR VOICE ACTIVATION AND AI – Cyril Coste sees voice activation and AI producing a fundamental shift in CX: “A recent Gartner report found that by 2020, 30% of the content that we consume on the web will be non-text based. This basically means it will be via vocal assistant or a smart speaker.”

Putting this into a practical example, he adds: “Now, let’s say I want to place an order. Maybe the first information I’m going to give the chatbot will be my delivery address, then it will be my credit card number, and then it will be my size and finally, the clothes

I’m interested in buying. So my buying journey ends up is completely different from that which retail websites currently offer.” In his view this should change our whole approach to CX personalization: “We should no longer think in a transactional way. Don’t think screen based. Your journeys must cover all different touchpoints and channels.”

30%

BY 2020, 30% OF THE CONTENT THAT WE CONSUME ON THE WEB WILL BE NON-TEXT BASED².

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²Source: Gartner

RECENT ADVANCES IN CX TECHNOLOGY

IOT TECHNOLOGY AND WEARABLES –

Daryn Mason sees benefits in IoT technology providing us with valuable new data sources: “Consumer-based devices that use IoT technology, such as sports watches and other wearable devices, as well as smart home devices, can add an enormous amount of data to a customer’s profile – especially around their behavior. These offer another rich pool of potentially usable data.”

GETTING STARTED WITH ALGORITHMS –

Yet for some businesses, diving into algorithms, AI and chatbots can seem daunting. In practical

terms, how do you get started? Where should you focus your attention? **Eric Fullerton** offers some advice: “the key question around any machine learning algorithm or leveraging AI is: can we actually deliver on this at the execution level?” He offers three straightforward opportunities for companies seeking to develop simple AI-driven experiences:

SIMILARITY ALGORITHMS –

Much like Amazon’s “People who bought this also bought...” feature, you can present customers with recommendations based on what other purchasers of a specific product have bought.



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“We should no longer think in a transactional way. Don’t think screen based. Your journeys must cover all different touchpoints and channels.”

- Cyril Coste

RECENT ADVANCES IN CX TECHNOLOGY

PERSONA RECOMMENDATIONS –

Using an algorithm that seeks to categorize customer as a ‘persona’ or user type, you could present them with products that you feel they ought to like.

CONTENT RECOMMENDATIONS –

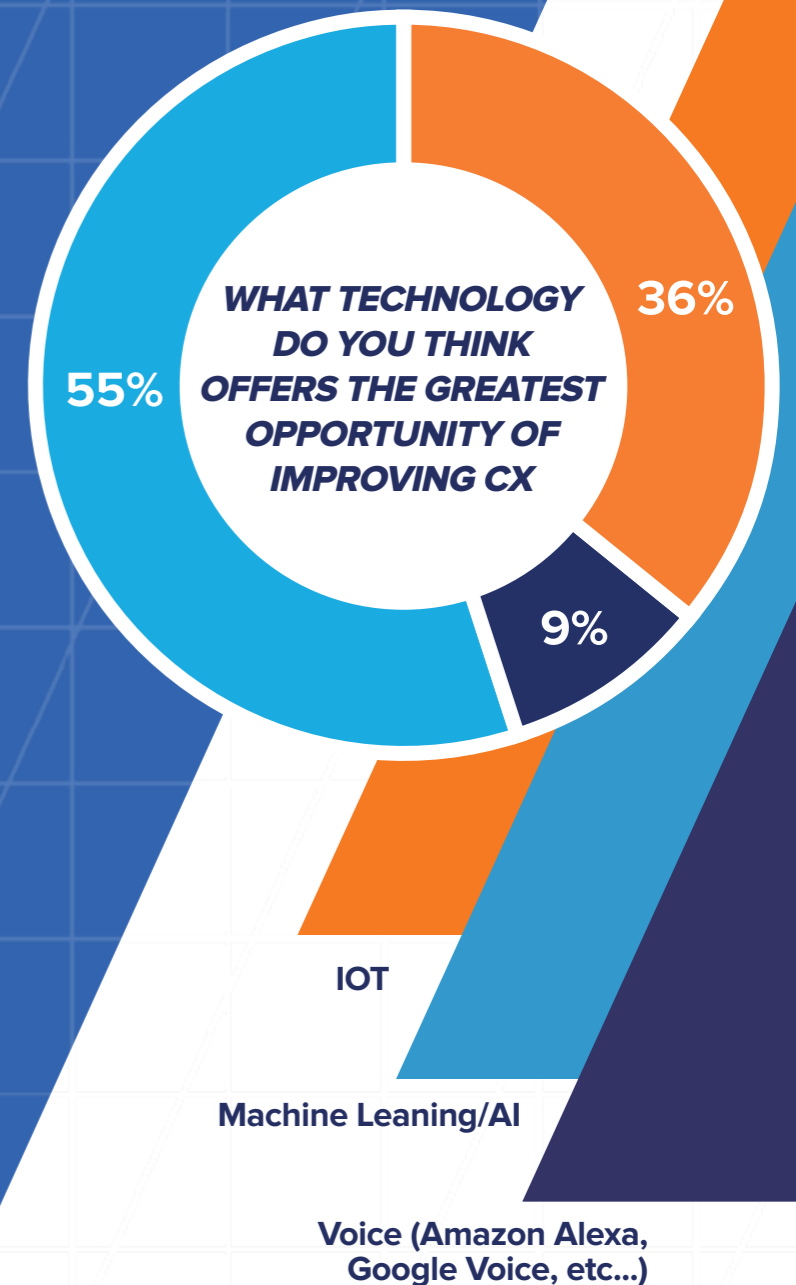
Your personalized homepage on Netflix and similar services is based on your content usage, so you are presented with movies and shows you might like to watch. Any online store can create a similar algorithm.



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“Consumer-based devices that use IoT technology, such as sports watches and other wearable devices, as well as smart home devices... offer another rich pool of potentially usable data”.

- Daryn Mason



WE ASKED OUR WEBINAR VIEWERS WHICH TECHNOLOGIES THEY SEE OFFERING THE GREATEST VALUE FOR CX PERSONALIZATION IN THE FUTURE. 55% SAID “MACHINE LEARNING/AI” WHILE 35% CITED “VOICE ACTIVATION”, WHILE 9% FAVOURED “IOT”. NOBODY VOTED FOR “CHATBOTS”.

FUTURE DEVELOPMENTS IN CX PERSONALIZATION

Looking towards the future, our panel of experts were immediately drawn to the increasing number of data sources available to us, plus our increasing ability to leverage this data to improve the customer experience.

According to **Cyril Coste**, mobile technology is key to this new opportunity: “right now, what we call wearables are mostly smart watches and sport devices, but we will soon be wearing smart glasses or shoes. We are going to enter a new age where basically, the personalization is going to be part of our body, is going to *join us.*”



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“The driving force behind these changes is not technology, but rather a growing understanding of what customers really want.”

- Cyril Coste

This may seem futuristic and, at least the short term, it remains in the realm of future-gazing. As Cyril points out: “5G, the future telecommunication network, will need to be deployed to enable this communication between billions and billions of objects with your servers, with your algorithm. This is still a few years ahead. It’s probably going to start mostly in Japan, Singapore, and then the rest of Asia before reaching Europe.”

FUTURE DEVELOPMENTS IN CX PERSONALIZATION



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“Personalization is an exchange. It’s an agreement that if I’m going to provide you with my data and information, you’re going to use it not only responsibly, but in a way that provides me with a level of convenience or an improved experience.”

- Eric Fullerton

As **Eric Fullerton** says: “I see the approach of companies such as Netflix, Amazon and, more recently, Starbucks helping to drive future of personalization and customer experience holistically. This is based on an understanding that personalization is an exchange. It’s an agreement that if I’m going to provide you with my data and information, you’re going to use it not only responsibly, but in a way that provides me with a level of convenience or an improved experience.”

If we take Eric’s point, “This concept of there being a tacit ‘agreement’ between customers who allow businesses to use their data for personalization, so long as it is mutually beneficial, suggests we may be entering a new era of consumer engagement. The only question that remains is: how quickly can businesses adapt to this new reality?”



SUMMARY

1. NOT ALL DATA IS EQUAL

Select which data you use according to where you are in your personalization journey.

4. THINK MULTI-CHANNEL

Plan for customer journeys that move between devices and touchpoints.

2. SOCIAL NORMS APPLY

Take care with location or real-time personalization. It can appear creepy!

5. PERSONALIZATION IS AN EXCHANGE

Remember, in return for their data customers will expect an improved experience.

3. START SMALL

Define your customer personas, then ask “what is the simplest thing I can do that will have the biggest impact?”



Seamless, cross-channel experiences are proven to deliver higher rates of conversion and loyalty, but creating them requires a forensic understanding of which data matters most. The question is: how can you extract value from personalized data and use it to create engaging digital experiences?

To learn more, watch this expert-led webinar which offers a mix of practical guidance and actionable insights.

“CUSTOMER INSIGHTS FOR CX PERSONALIZATION: WHICH DATA MATTERS MOST?”

WATCH THE WEBINAR

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ABOUT ACQUIA

Acquia is the open source digital experience company. We provide the world's most ambitious brands with technology that allows them to embrace innovation and create customer moments that matter. At Acquia, we believe in the power of community – giving our customers the freedom to build tomorrow on their terms.