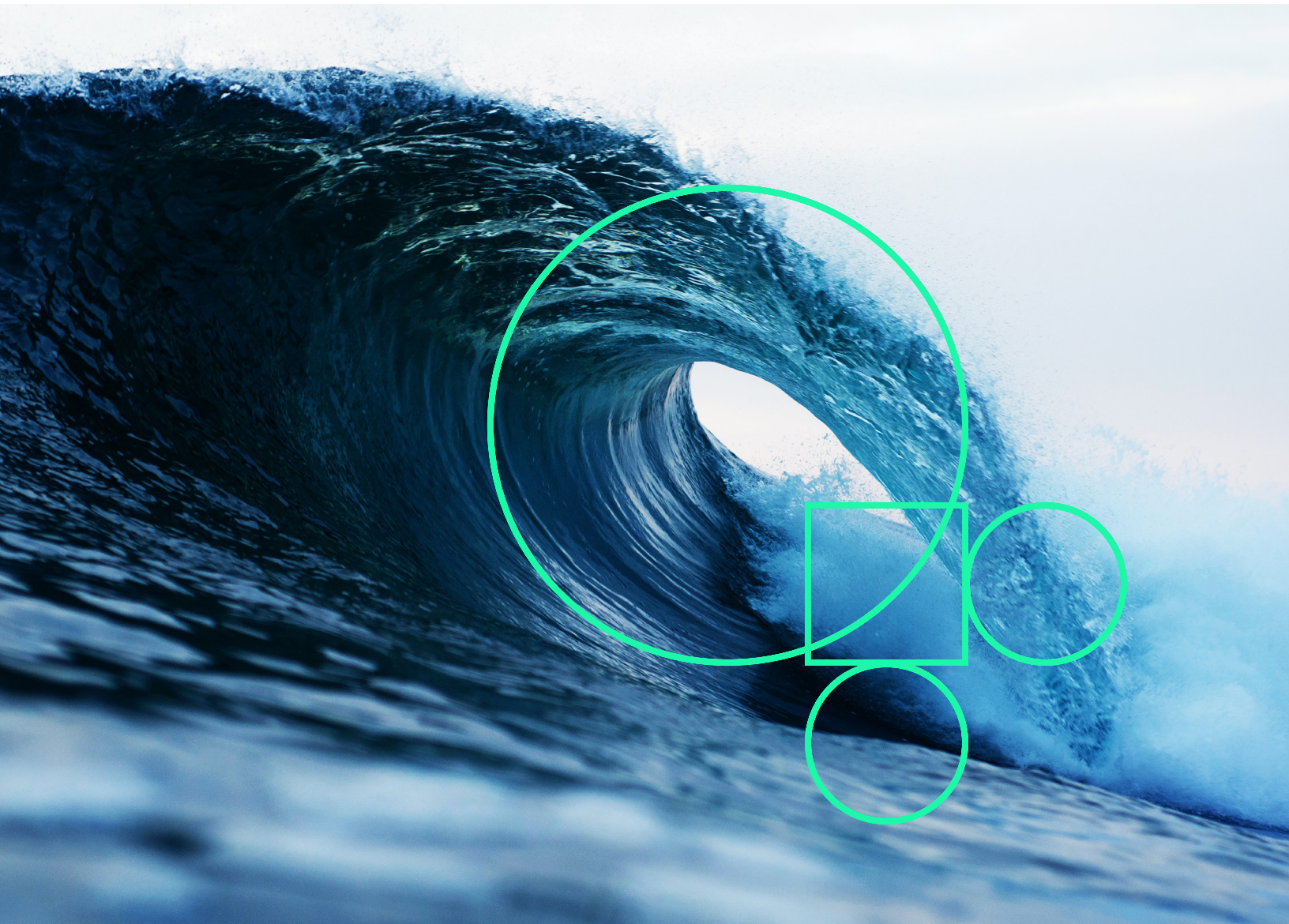


acoustic

Increase the value of every customer interaction with real-time personalization



Overview.

Personalization is on the rise as companies strive to meet customer expectations for a more customized and relevant experience. When used effectively, the rewards of personalization can be enormous – increasing sales and revenue, enhancing online conversion rates, boosting average order value, driving cross-sell and up-sell initiatives, and strengthening customer loyalty and retention.

Even more powerful than just personalization, a concept that marketers have been familiar with for years, is the newer idea of real-time personalization.

What is real-time personalization? It's not just making advance decisions about what message a customer will see the next time you interact with them; instead, it's about being prepared to make a decision during a live interaction about what personalized message to present.

So why isn't real-time personalization ubiquitous? While many marketers discuss personalization, and some are starting to talk about real-time personalization, these terms can mean different things to different people. Some marketers may be focused more on inbound communications, others on outbound marketing, and still others may be focused on a specific channel such as email or website interactions.

The truth is, many marketers focus on just one dimension, failing to understand the full scope of what real-time personalization means. This document will take you through the key questions that define all the aspects of real-time personalization that should be considered when building a marketing strategy that includes this exciting new practice.

Acoustic Marketing Cloud



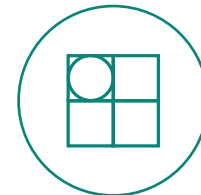
Campaign



Content



Analytics



Personalization



Exchange

Modern, integrated, AI-powered platform for multichannel marketing and end-to-end customer journey management.

By answering these fundamental questions, we will define a framework that will help you uncover and understand the various aspects of real-time personalization so you can build an effective and comprehensive real-time personalization strategy.

1. Who is the customer/prospect (and how much do we know about them?)
2. What gets personalized?
3. Where is the interaction happening (and how connected is it to marketing efforts in other channels)?
4. When are the personalization decisions made?
5. How is the personalized message selected?
6. Why is real-time personalization important?

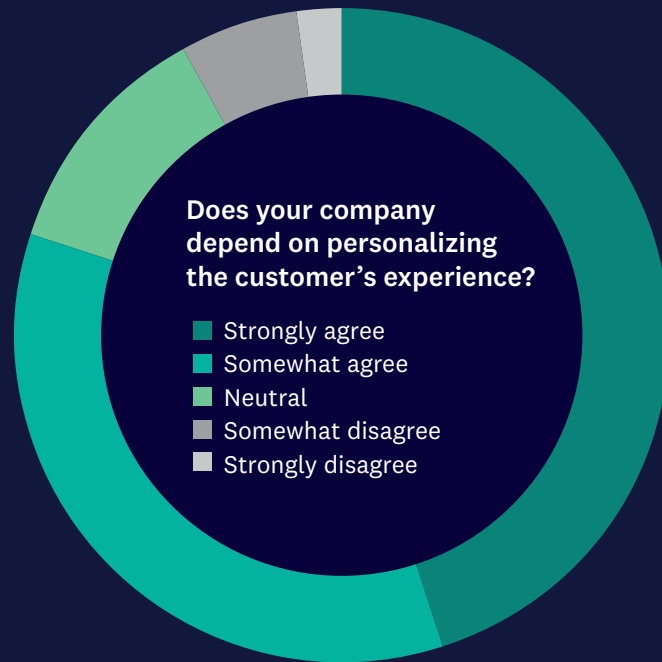


Figure 1: 88% of respondents agree that personalization is imperative to its company.

Who is the customer/prospect (and how much do we know about them?)

The most effective real-time personalization solution leverages two kinds of information:

1. Identity - information about each individual customer's identity and such details as demographics, psychographics, account details, purchase history, and social network interactions. Most of this is the typical information found in your customer database.

2. Behavior - information about how the customer is behaving during the moment of interaction, for example: where a person has been on a website during this visit; location as identified by a mobile device; reason for calling as explained to a call center agent; or products about to be purchased in a store.

Most personalization approaches leverage one kind of data more than the other.

Consider Figure 2, and see how a variety of personalization approaches can map into a framework that measures the degree of usage of identity versus behavior. For example, SPAM, at the lower left, uses essentially nothing about identity or behavior. That makes for poor personalization. At the top left, you can see that while personalized email leverages identity information, it doesn't take advantage of behavior data. The opposite is true for product recommendation engines; they consider little about who you are and focus on what you are doing (products you are looking at or have put in

your basket). Some personalization, such as online behavioral advertising, do a better job of mixing identity and behavior.

The most effective approach leverages both kinds of information. By taking into account identity and behavior, you can target the right message, to the right person at the right time to provide customers relevant offers, while improving your chances for a successful conversion.

Information types for personalization use
Most approaches weight toward one axis

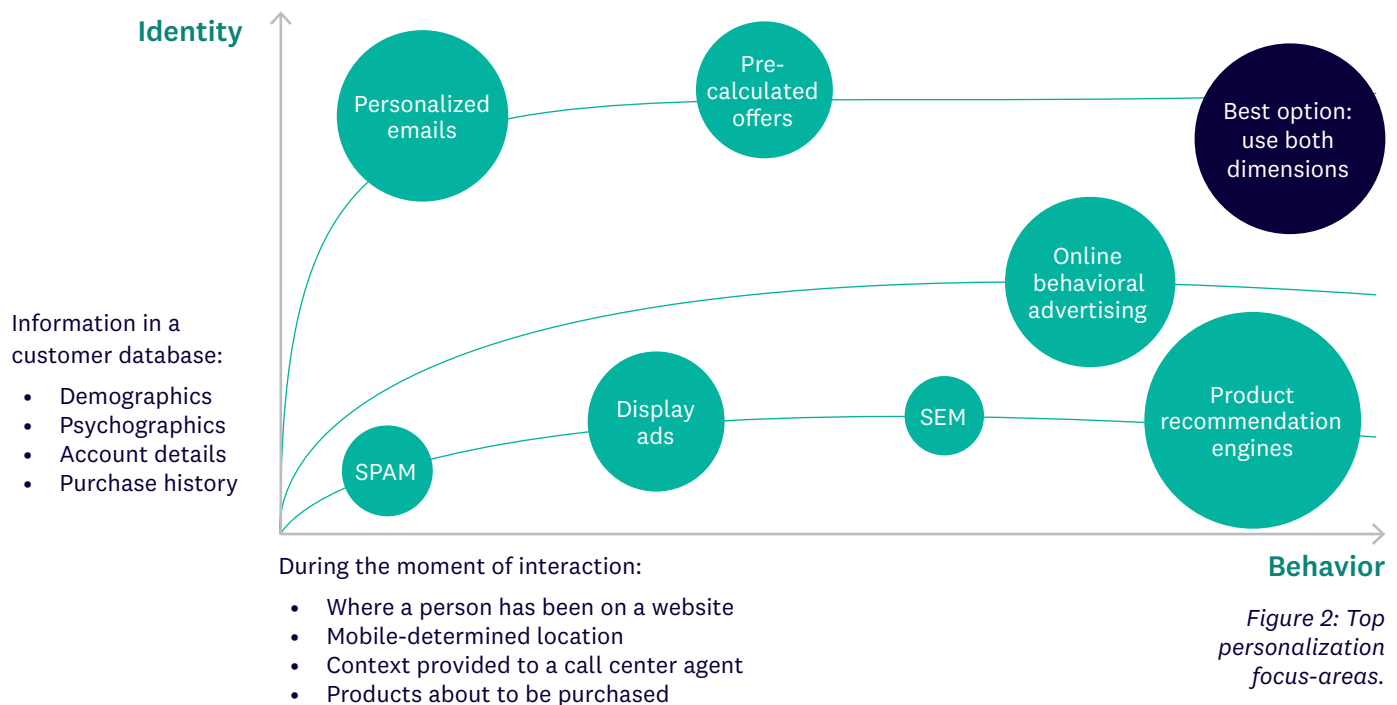


Figure 2: Top personalization focus-areas.

The personalization process.

When we talk about personalizing marketing, it's important to consider what, specifically, to personalize. How does the message change as it reaches different people?

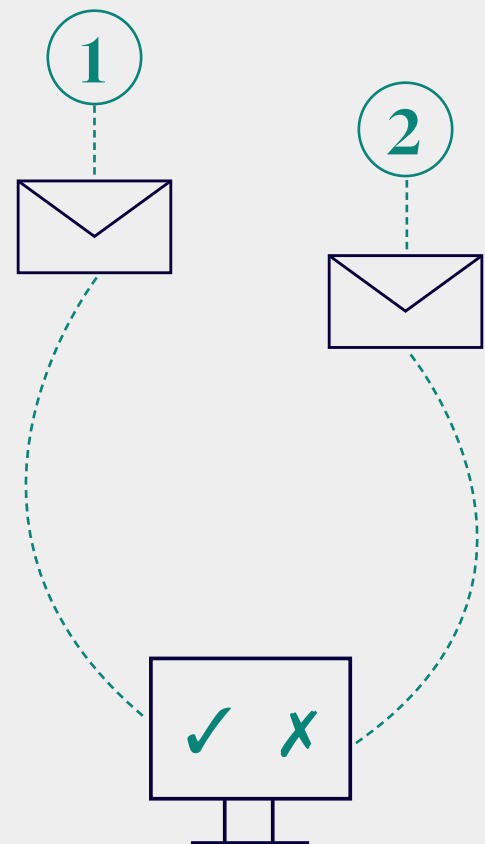
1. The Message - what message are you trying to convey? For example:

- A special offer with monetary value, like “10% Off or “Buy-One-Get-One (BOGO)”
- Recommended products, for example, letting the customer know that similar customers bought a certain product or service
- A follow-up on earlier events, for example, asking a customer if they want to complete a purchase or application they started earlier but abandoned
- A thematic message selected from among several options, for example “Holidays are a great time to travel,” or “It’s time for back-to-school shopping”
- An action, for example, perhaps the best action isn’t an offer at all but an escalation of the customer’s case to Level 3 Customer Support

2. The look-and-feel of the content - how do you want the content to appear? For example:

- What does the email look like?
- What does the web page look like?
- Should you use content blocks, background images, or a certain color pallet?

Depending on a marketer’s area of expertise, they may only focus on one piece – the message or the design. But the most effective approach to personalization will take into consideration both. It doesn’t matter how compelling the offer or message is if the customer is so turned off by the way the content looks that he doesn’t read it. No matter how amazing a website or email appears, if the message or offer falls short, the effort is a waste. Today’s customers are bombarded with offers from every direction. You need to differentiate yourself by offering the most relevant and valuable message using the most attractive and engaging means possible.

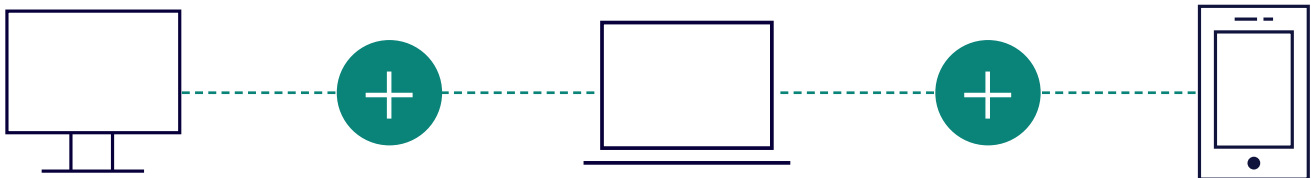


Making connection points with interactions across channels.

It's easy to think of real-time personalization opportunities as existing in a vacuum. Instead, it's important to remember that each live interaction during which a real-time personalization can occur - be it on the web, in the call center, or on a mobile app - should integrate with the rest of your outbound marketing efforts. Customers think of these interactions as part of a broader series of experiences with your brand, so you should, too.

The best option is not to make decisions in a vacuum, but to make them in consideration of everything that has happened across the entire omni-channel experience. By coordinating personalization across all channels you can:

- Reinforce offers and messages from one channel in another
- Learn from previous interactions in other channels to make a better personalization decision now
- Ensure consistent messaging
- Coordinate efforts across channels



When should marketers make personalization decisions?

There are two different times to make a real-time personalization decision:

Before:

In some cases, there may be an offer waiting for a customer for hours, even days, before they visit a website. This form of personalization is fairly easy to implement because it only requires batch capabilities. When a decision is made in advance like this, it's arguably not real-time at all. But "inbound" marketing can be confused with "real-time" personalization - i.e., any offer presented during a live interaction is considered real-time, even if chosen in advance.

Offers chosen in advance, however, do not use context, and so miss the opportunity to be as relevant as possible, factoring in the newest information learned about the customer (during the interaction itself). Many things could have changed from the time an offer was chosen in advance – for example: new purchases or new visits online or in-store. Those factors may alter the effectiveness of the offer.

If a customer purchased a shirt in your store, yet receives a push notification for a discount on that shirt shortly thereafter, the overall effect is negative: a.) the offer is irrelevant to their needs, and b.) their experience with the brand becomes disjointed.

During:

Those decisions made during the interaction do require a greater investment and real-time capabilities, but the payoff is far greater with more relevant messages and a greater chance for conversion.

If a customer purchased a shirt in your store that morning and is presented with a discount to purchase a complementary pair of shorts, there is a good chance they will accept since the offer is relevant to their immediate needs. Through this interaction you are also letting the customer know that you are aware of who they are, their history with your brand, and that you are focused on their wants and needs.

The best option is to make personalization decisions during the interaction to maximize both conversions and the customer experience.

Selecting personalization messages.

There are two different approaches to the personalization decision-making process:

1. Deterministic approach - marketers structure the logic completely on their own, deciding under which conditions a certain action or offer is presented. For example, “provide offer A if the customer is in our Gold segment, is on the Products page of the website and clicks on the For More Information link...” While this approach does give marketers more control over results and makes it easy to anticipate success, it is time-consuming to build and maintain the logic, and the entire process is limited by the marketers’ own intuition.

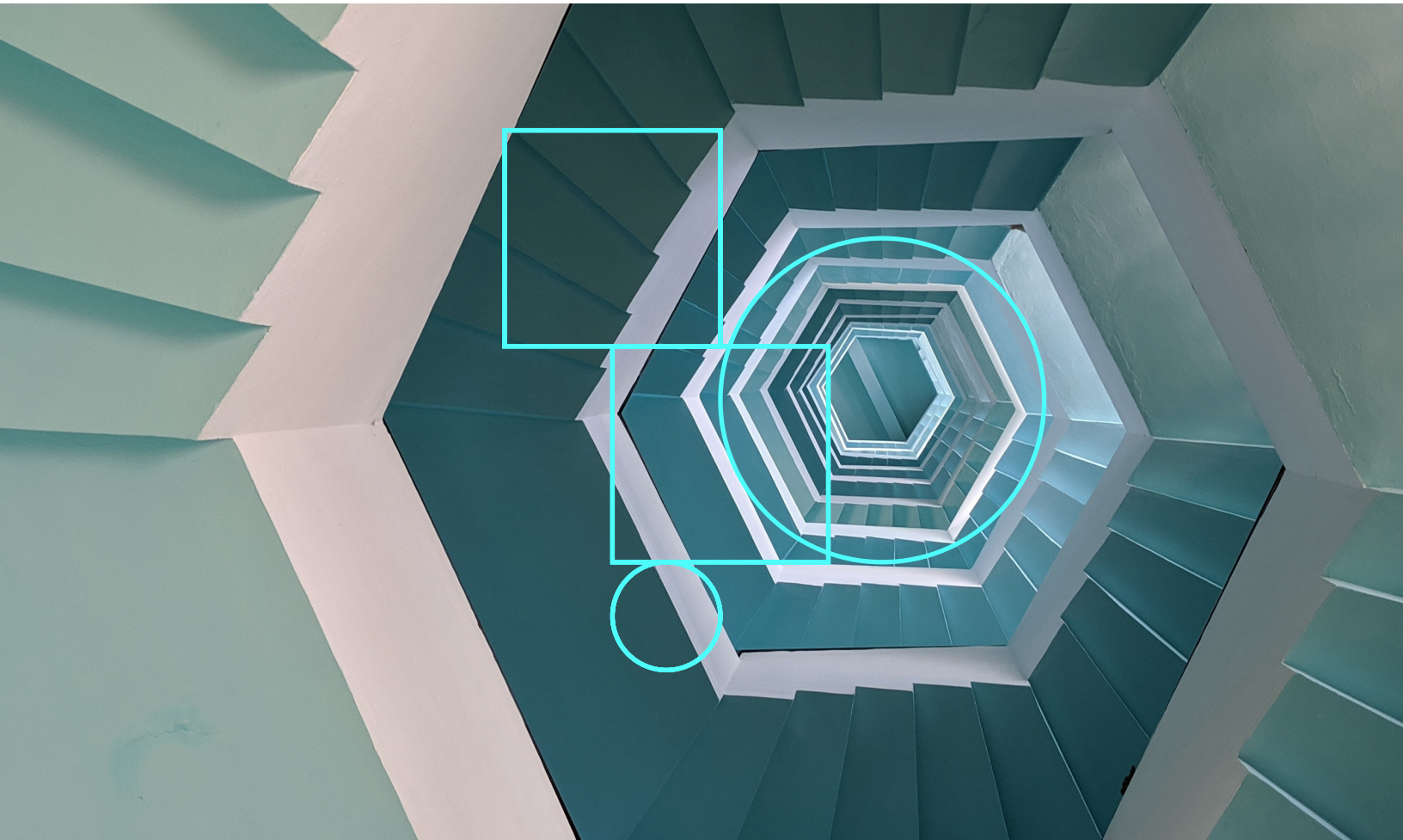
2. Predictive approach - uses math and algorithms to determine the best course-of-action. While these models do all of the work for the marketer and are self-learning and self-improving over time, they do take control away from the marketers, and performance can be slowed by processing requirements.

The best option is to blend these two approaches, leveraging the expertise of the marketer with the automation and self-learning function of the algorithms.

Why is real-time personalization important?

Customers have grown increasingly overwhelmed with outbound marketing offers and, consequently, the effectiveness of traditional outbound marketing campaigns has significantly declined. The ability to connect with customers on their own terms - during those moments when customers and prospects contact you - can dramatically improve the effectiveness of your marketing efforts. With real-time personalization you can:

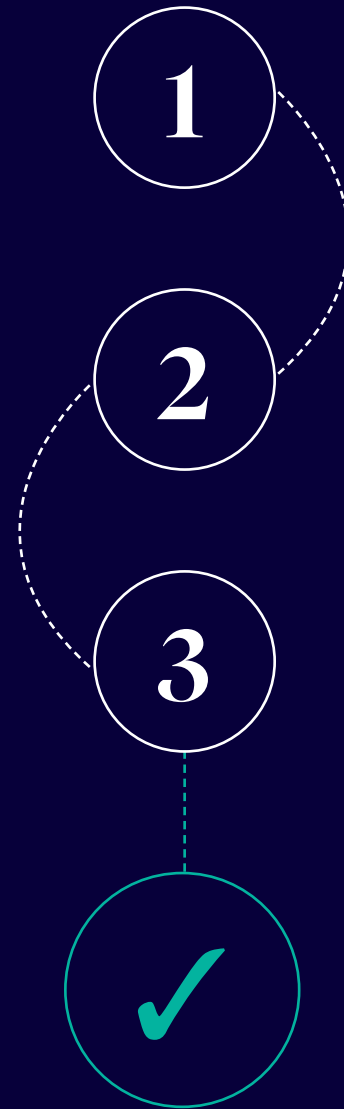
- Increase response rates in inbound channels by maximizing the relevancy of messages presented in real-time
- Improve each customer's experience by personalizing their interaction with your company
- Maintain a consistent dialogue with customers
- Achieve better overall marketing results, including increased sales and revenue, improved online conversion rates, and strengthened customer loyalty and retention



How Acoustic enables all aspects of real-time personalization.

Acoustic empowers companies with the technology to meet the multi-dimensional aspects of real-time personalization. Acoustic solutions for real-time personalization can help you take better advantage of moments when your customers and prospects choose to interact with your company. During these inbound contacts, Acoustic can determine, in real-time, the most relevant messages and content to deliver to an individual given who they are, their responses to previous interactions, and the context of the current interaction.

In an age of highly pervasive marketing, the best messaging will be relevant, timely, and contextual to individual customers. Acoustic solutions improve the customer experience by giving your business the ability to quickly recognize and deliver what customers want.



About Acoustic.

Acoustic is an independent marketing cloud with the open platform needed for success in a dynamic world. We're reimagining marketing technology by lessening the burdens of repetitive tasks and equipping marketers with powerful technology that is simple and easy to use. We give marketers more time to do what really matters—to think bigger and put themselves back into the work. We help marketers aim higher, bringing humanity back into marketing. Acoustic serves an international client base of more than 3,500 brands, including Fortune 500 companies, providing digital marketing, marketing analytics, content management, personalization, mobile marketing, and marketing automation solutions.

Ways to learn more.

Visit our website at acoustic.com

