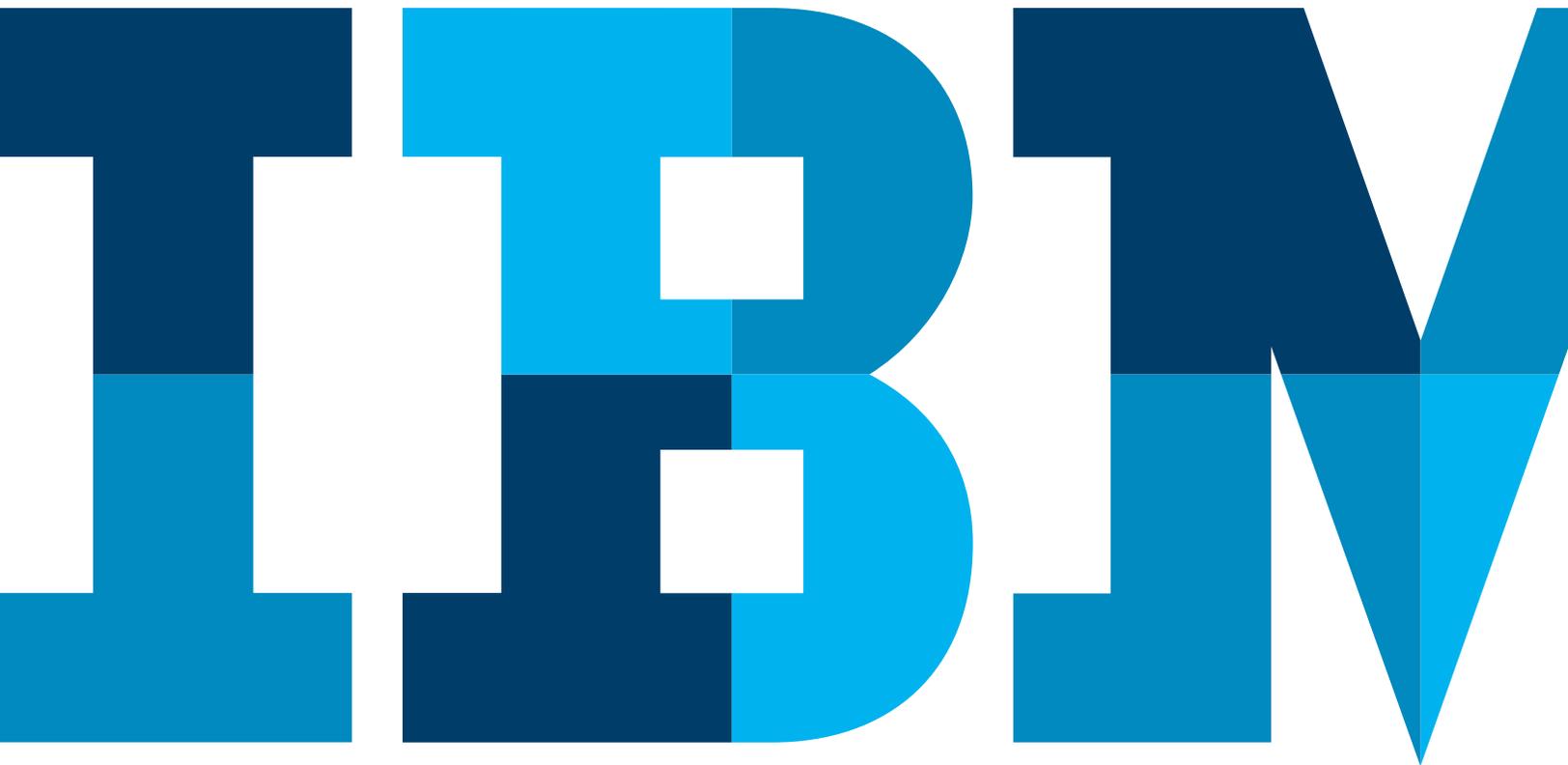


Five ways to create and optimize your personalization programs



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Why use personalization

Personalization is a highly effective strategy to engage, acquire and retain site visitors. Marketers leverage website behavioral data to tailor offers and content to visitors relevant to their known interests and browsing history. The most effective vehicles for personalization are personalized emails and personalized product recommendations.

Five steps for creating, implementing and optimizing personalization programs

Often, the biggest challenge of a personalization program is getting started and creating a framework that can continuously manage, measure and optimize your initiative. Without a proper framework, the scope of personalization programs can become vast and even overwhelming. Consider these five simple suggestions to create, implement and optimize personalization programs for email marketing and product recommendations:

- Set campaign goals
- Put yourself in your customers' shoes
- Keep it simple
- Measure, test and optimize your performance
- Expand beyond the fundamentals

1. Set campaign goals

Marketing success is measured using quantitative and tangible results. Management is more likely to support and fund programs that visibly and positively affect the bottom line; therefore, first set campaign goals and metrics that illustrate your business objectives and forecast the success of your program. It's important to first benchmark the performance of past non-personalized programs for comparison against your personalized campaigns. A digital analytics tool can help marketers measure the performance of past campaigns.

For example, an email marketing manager could use historical open and clickthrough rates from previous generic email programs and adjust the rates upwards for personalized email programs. Without historical granular performance analytics, the marketer can find it difficult to create benchmarks for success. Ideally, your marketing optimization solution provides quick access to historical performance metrics and provides a dashboard to monitor campaigns.

2. Put yourself in your customers' shoes

The mindset and motivation of your visitors are different at different shopping conversion points. Thus, you must plan your strategy to support your shoppers' decisions at key conversion points.

From an email perspective, personalized emails with relevant messages, promotions or content drive open rates and clickthroughs and help you avoid deletions and reduce opt-out rates. From a product recommendations perspective, display product offers and recommendations that align with your site visitors' interests throughout their shopping experience. For example, on a product page, visitors may respond to relevant, high-quality recommendations for similar products; however, when on a shopping cart page, shoppers may prefer to view complementary items that round out their purchases.

The key is to provide relevant product recommendations so that visitors continue to engage with you. Meeting increased customer expectations for a personalized experience across all channels is essential to cultivating strong relationships and driving sales.



Figure 1: Personalized recommendations shown in the right column of a product page can deepen customer engagement

3. Keep it simple

When planning your strategy, start with the fundamentals. Personalization is a broad strategy that you can apply across multiple channels and touchpoints. Marketers may want to employ many programs to maximize return on investment (ROI). However, implementing too many programs at the same time can create disorder and may lead to mixed results. This begs the question of providing a consistent experience across all channels...

Creating realistic goals and programs also enables you to launch your initiative sooner. Begin by creating personalization programs at key customer touchpoints that align with your business goals and are consistent across channels. For example, if you want to capitalize on cross-sell opportunities, place product recommendations with the shopping cart and on the confirmation pages on your site. Then, send an email to retarget site visitors who browsed your site and who placed an item in a cart without finalizing a purchase.

Next, create a segment for cart abandoners. Follow up by creating email content with a promotion that can persuade these shoppers to return to your site. As you create more personalized email programs and measure results, you gain experience and learn what technologies, techniques and tactics work for you.

4. Measure, test and optimize your performance

One of the advantages of personalized product recommendations and email programs is that you can quickly measure their success. Product recommendations will begin to affect revenues shortly after a campaign launches, while open rates and clickthroughs happen shortly after emails land in your target audience's inbox. The best marketers continuously track and analyze their marketing campaign results and compare the results to previously set goals (which marketers established in the first step).

Marketers can use dashboards to immediately present results to management. For example, IBM Marketing Center has a built-in campaign report that shows the performance and lift of campaigns. In addition, marketers can leverage advanced analytics to view results and identify future programs to optimize and enhance the visitor experience.

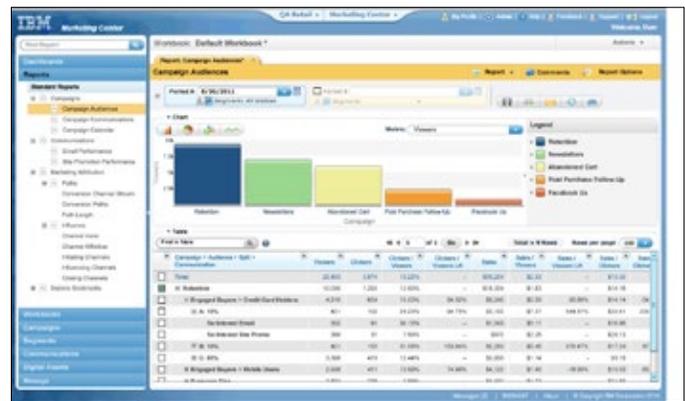


Figure 2: Measure performance and lift of marketing campaigns with detailed reports in IBM Marketing Center.

5. Expand your programs beyond the fundamentals

After you begin to optimize your fundamental personalization programs, you can analyze the data and identify other opportunities to replicate your personalization marketing success. Creating programs that address other specific touchpoints in the customer life cycle can result in an optimized site user experience for both first-time and return customers.

Two additional areas of focus to consider for enhanced personalization programs are personalized search landing pages and personalized product recommendations in emails.

- **Personalized search landing pages:** Create a strong customer experience by personalizing landing pages with relevant product recommendations based on customer-specified search terms. If visitors are landing on your page from search engine pages or using your on-site search engine, they would like to land on a page related to their search. Creating relevance for visitors can keep them engaged and increase conversions.
- **Personalized recommendations in emails:** Relevant emails have a higher open rate and stimulate higher engagement, which leads to higher conversions. Sending emails with personalized recommendations continues the sales conversation with the visitor after the site visit. Emails that contain relevant content result in higher open and clickthrough rates.

These five suggestions can help you develop the necessary framework to create effective personalization programs. Here are several key questions that can help guide your efforts, especially as you evaluate strategies and success to optimize your programs and expand the scope and depth of your personalization programs.

Program evaluation and reassessment: Three questions to ask yourself

1. How well do you know your customer?

Effective personalization requires that you leverage granular details about how your customers interact with your brand online. Without this data, it is difficult to create context and relevant messaging to your customers. The key to effective personalized emails is identifying and creating segments to target with personalized content. By leveraging rich data profiles about your customers you can deliver the most relevant product recommendations and personalized emails to your defined segments.



Figure 3: Easily identify and create a target segment for optimal success.

2. Are you engaging with customers at the right touchpoints?

Personalized marketing programs can have varying levels of effectiveness based on where your customers are in the buying process. For example, customers are likely to delete promotional emails for products they have already purchased. In addition, product recommendations based on items that customers previously viewed and ultimately purchased may create confusion for the customers and affect their overall experience.

Using granular analytics can help you understand the performance of your programs and pinpoint both low performing areas of engagement and areas of high return. In addition, you can use techniques such as A/B testing to test page zones for product recommendations and identify optimal placement for personalized messages and recommendations.

3. Can you effectively scale your programs?

As you continue to build a successful personalization program, continue to implement innovative solutions that increase your program effectiveness and automate manual processes. For example, implementing solutions that dynamically serve product recommendations based on visitor behavior compared to manual data analysis and reconciliation of large volumes of data can increase your productivity and enable you to focus on other strategic initiatives. In addition, you can create emails based on digital analytics, using advanced segmentation to automatically target and email select customers based on specific customer behaviors.

To be effective, automation solutions must feature capabilities that enable the marketer to fully customize and control the application. If the marketer cannot customize controls and define business rules, product recommendation and email programs may not directly align to certain business needs. The ideal solution offers users visibility, flexibility and control so that the marketer can create market segments, tailor product recommendations and reinforce personalized messages based on affinities, margins or other attributes, and preview and adjust the underlying logic of algorithms.

The IBM Digital Marketing Optimization Solution approach to personalization

Your visitors and customers leave you a wealth of information as they browse your website. With the right tools and a strategic approach, you can put rich data to work to deliver product recommendations and personalize your site and emails with highly relevant recommendations and communications based on the visitor's interest. The IBM Digital Marketing Optimization Solution is used by marketers across a range of industries to deepen customer engagement and drive conversion and revenue.

IBM Marketing Center

IBM Marketing Center is the digital personalization and marketing execution engine of the IBM Digital Marketing Optimization Solution. It combines digital marketing analytics, A/B testing, targeting, personalization and execution all in one intuitive, cloud-based application. Without burdening IT, marketers can draw on all the digital data visitors are providing through their online experiences, import additional offline data, easily target segments and build personalized communications across digital channels in just a few clicks.

IBM Product Recommendations

Part of the IBM Digital Marketing Optimization Solution, the IBM Product Recommendations engine automatically generates personalized product recommendations by leveraging the rich, detailed customer information in IBM LIVEProfiles, as well as in-session data and behavior of individuals with similar characteristics.

With IBM you gain a robust, easy to use digital personalization platform and execution engine that you can rely on to help you provide the most personalized and relevant experience for your customers as they engage with your brand online.

About IBM Enterprise Marketing Management

The IBM Enterprise Marketing Management (EMM) Suite is an end-to-end, integrated set of capabilities designed exclusively for the needs of marketing and related organizations. Integrating and streamlining all aspects of marketing, IBM's EMM Suite empowers organizations and individuals to turn their passion for marketing into valuable customer relationships and more profitable, efficient, timely, and measurable business outcomes.

Delivered on premises or in the Cloud, the IBM EMM Suite of software solutions gives marketers the tools and insight they need to create individual customer value at every touch. The IBM EMM Suite helps marketers to understand customer wants and needs and leverage that understanding to engage buyers in highly relevant, interactive dialogs across digital, social, and traditional marketing channels.

Designed to address the specific needs of particular marketing and merchandising users, the IBM EMM Suite is comprised of

five individual solutions. Digital Marketing Optimization enables digital marketers to orchestrate relevant digital interactions to attract and retain new visitors and grow revenue throughout the customer's lifecycle. With Customer Experience Optimization eCommerce professionals can turn visitors into repeat customers and loyal advocates by improving the digital experience of every customer. With Cross-Channel Marketing Optimization customer relationship marketers can engage customers in a one-to-one dialogue across channels to grow revenue throughout the customer's lifecycle. Price, Promotion and Product Mix Optimization allows merchandisers and sales planners to make price, promotion and product mix decisions that maximize profit and inventory utilization. And with Marketing Performance Optimization, marketing leaders, planners and decision-makers can model and assess mix, and manage marketing operations to maximize ROI.

Over 2,500 organizations around the world use IBM EMM solutions to help manage the pressures of increasing marketing complexity while delivering improved revenue and measurable results. IBM's time-tested and comprehensive offerings are giving companies such as Dannon, E*TRADE, ING, Orvis, PETCO, Telefonica | Vivo, United Airlines and wehkamp.nl the power and flexibility required to provide their customers and prospects with what they expect today—a more consistent and relevant experience across all channels.

For more information

To learn more about IBM Enterprise Marketing Management, please contact your IBM marketing representative or IBM Business Partner, or visit the following website:

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