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SOLODEV EBOOK

USING **PERSONALIZATION** TO TRANSFORM YOUR DIGITAL CUSTOMER EXPERIENCE

How cloud-based personalization can enhance your
customer engagement and grow revenue



powered
by **aws**



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INTRODUCTION

Everyone loves a personalized experience. We smile when the barista at our favorite coffee shop knows our name and serves our usual order. We feel special when the waiter at our favorite restaurant recommends a new appetizer we might like.

We appreciate having the businesses we engage with know a bit about us and use that information to provide a fresh experience. Our reaction to that new experience then informs our future experiences. And the cycle repeats.

At a high level, this model is at the heart of personalization. And in recent years, the rising value of consumer data coupled with an influx of revolutionary and innovative technologies means people now expect personal interactions – online and offline – from the brands they engage with.





CUSTOMER DATA HAS BECOME THE MOST VALUABLE ASSET FOR EVERY BUSINESS.

While governance continues to shift the requirements around how data is managed, every company must become a *data-driven* organization. And to deliver personalized experiences that turn shoppers into buyers, you need to have a 360-degree view of your customer: a composition that's built on your lakes of data and insights, and helps improve the Digital Customer Experience (DCX).

But what is personalization? Why does it matter? How can it help improve our understanding of a single customer, as well as entire audiences? And how does technology play a role in establishing a more human connection that improves the digital customer experience?

Pour yourself a cup of joe and join us on the personalization journey.

WHAT IS PERSONALIZATION?

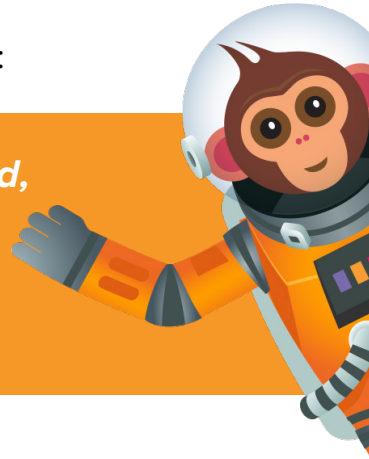
Personalization isn't some hot new marketing jargon, but the definition of *digital personalization* has evolved in recent years. While there's some nuance, this is gist:

Digital personalization is a data-driven method for creating customized, meaningful, and relevant experiences for customers through digital channels like websites and applications to drive conversions, improve retention, and impact loyalty.

Despite a lot of the complexity behind the tech, digital personalization doesn't take a doctorate to understand. The mission is still about marketing to a single buyer, just like a barista that knows you take your latte with no whip but also recommends a new breakfast pastry based on your sweet tooth.

At its heart, personalization empowers companies to give their customers a more human experience that gets them closer to what they want – and recommends new things based on their previous interactions.

The challenge, of course, is creating these types of curated experiences for thousands – or even millions – of customers. That's not a job that any barista could do on their own.



In the case of websites, personalization creates a more natural attentiveness between a business and its customers that results in returning customers and a stronger brand perception.

Because websites focus on content, they provide a strong foundation for serving personalized experiences, enabling marketers to dynamically alter page content or automatically recommend products based on a user's behavior, demographics, and intent.

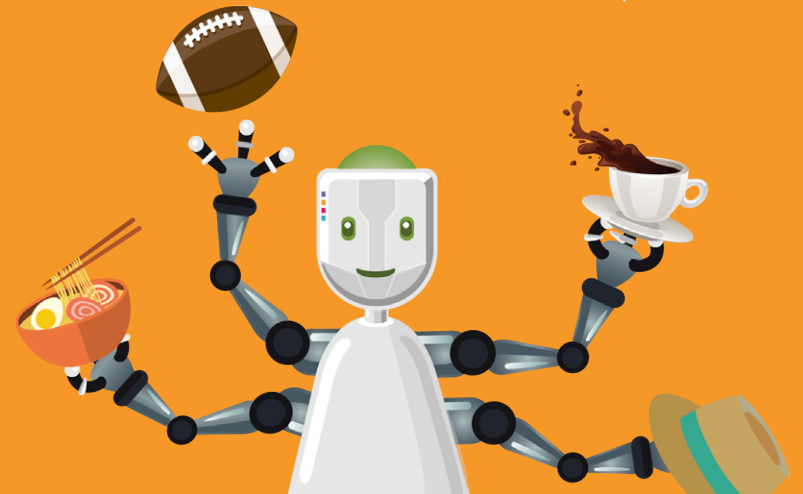
With all of this data flowing from digital channels like websites, brands now have the ability to capture a more complete picture of their buyers and optimize their experiences. And even though SmarterHQ suggests that 86% of consumers are concerned about their data privacy, 72% say they now engage with marketing messages that are personalized to their unique interests.¹

By leveraging business intelligence (BI) and advanced analytics, you now have the power to build purposeful Customer 360 strategies that get you closer to your customers than ever before – so you can serve them better and grow your revenues.

72%

OF CONSUMERS ENGAGE WITH MARKETING MESSAGES THAT ARE PERSONALIZED TO THEIR INTERESTS

*SmarterHQ, 2019



OK

SO WHERE DO YOU START?

There are a lot of dimensions to digital personalization. That's why it's essential to focus on the Digital Customer Experience as the activator. Assembling the right stack of technologies that enable a complete content management, customer experience, and Customer 360 ecosystem will enable you to build an effective strategy.

There's more to learn, so keep reading!



BUILDING A PERSONALIZATION STRATEGY

One look at Scott Brinker's 2019 MarTech.com² landscape diagram shows what marketers already feel: it's confusing out there. With over 7,000 vendors saturating the market, there's more noise than ever before. That's why building a personalization strategy requires an understanding of the fundamentals.



Start with Content Management

Website content management systems (CMS) have long been regarded as the hub for digital experiences, but they have evolved in age of the cloud. Now, they serve as the universal connector for a multitude of third-party applications and services that are powered by cloud services.

While there are increasingly more channels for distributing content, a website remains the primary touchpoint for digital experiences, regardless of screen or device.

Having a CMS provides the foundation for building the essential set of technologies that support the customer's experience, from buying bus tickets to browsing new couches for your living room.

Having a nimble content management and customer experience platform also means you can be responsive to changes in user behavior, allowing you to improve website performance, reduce bounce rates, and increase customer delight in a rapid, automated fashion.

Personalizing at Every Touchpoint

The best CMS platforms allow for content and experience management across both traditional websites as well as API-driven applications.

Often referred to as “headless,” these include mobile apps, wearable tech like smart watches, and new form factors emerging from the Internet of Things (IoT) – where voice-activated search and virtual reality are becoming part of the ecosystem.

A CMS is crucial when it comes to automating and scaling a robust personalization strategy.

To start, it must have the right set of customer experience tools to enable dynamic testing and analytics. Having an API-first CMS or digital experience platform (DXP) enables marketers and content owners to be agile in their testing and optimization, creating programmatic ways to offer content based on different variables.

An API-first CMS also enables a stronger connection to third-party analytics platforms that can support your Customer 360 strategy. Platforms that provide big data analytics at scale can be integrated at a core level with CMS databases, and deliver actionable insights at key decision points.

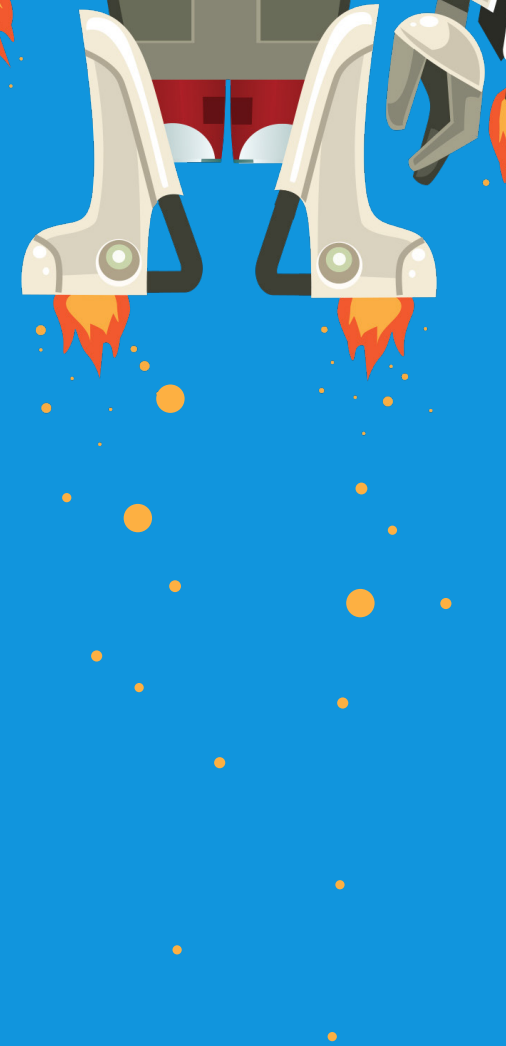
POWERING PERSONALIZATION WITH THE CLOUD & AI/ML

One of the most important considerations when building a personalization strategy is *scalability*.

While some aspects of personalization can be handled manually, the true “Holy Grail” lies with large-scale applications. How do you provide curated, relevant, and meaningful experiences for thousands or millions of website visitors? The answer is automation – and it’s lifting off in the cloud.

Having a cloud-native platform is essential to scale the necessary resources for personalization. To build rich samples for testing customer interactions, you need to drive traffic – and having a cloud-first CMS platform allows for a faster response to these variable shifts. In order to create personalization at scale, the entire ecosystem needs to be coordinated around your data and content hub in a highly available cloud configuration, so you can serve experiences with high performance.





Technologies that are built for a cloud infrastructure – like Amazon Web Services (AWS) – are designed around a specific set of well-architected standards, meeting uniformity with the cloud’s systems and enabling services such as load balancing and single sign-on to scale in harmony. Once everything works together, you have the foundation for building personalization at scale.

But the real promise of the cloud’s future and personalization is with artificial intelligence and machine learning. While some personalized experiences are rules-based and highly structured, others are not. This is creating demand for deep learning, recurrent neural networks that can deliver personalized experiences without any rules. The challenge is not only crunching the data across thousands or millions of customers but automating the process – which requires significant resources.

Now, cloud providers like AWS are offering ML-powered personalization technologies that deliver on this promise. Amazon Personalize is changing the landscape by harnessing 20+ years of innovation from Amazon.com, the leader in digital commerce experiences. By tapping native CMS platforms that are built for these kinds of advanced AWS services, brands can rapidly add a custom recommendation engine to their experience.

HOW TO EXCEL AT PERSONALIZATION

As we've established, successful personalization exists because of customer data.

More importantly, *good, well-structured customer data*. For nearly all websites, CMS platforms are the key channel for businesses to collect, analyze and apply customer data to marketing and content strategies, and give it the structure it needs to do its job.

Thus, personalization isn't just a matter of content marketing. It's a development challenge.

Your CMS platform will help determine what your personalization can achieve, from the languages it supports to the integrations it accepts. Will it enable the scalability necessary to capture enough data? Can it automate the capturing of customer data across your website? Can it use machine learning services to make large scale audiences part of the mix?

What your CMS can or can't do will impact your personalization success.

If you're still using a "monolithic" CMS that doesn't easily integrate with your third-party data solutions, your personalization efforts will likely struggle, if it can even get off the ground. Being API-first is a necessity for tapping the third-party services that are driving the future.

But if you're using a Digital Customer Experience platform – a new breed of CMS with customer experience capabilities that are designed to leverage advanced cloud services – then you're set up for success.



Key Considerations for Personalization

Here are a few things to keep in mind when devising a personalization strategy:

- **Segment your audiences.** Determine what content best speaks to those audiences to hit the right user with the right content at the right part of the sales funnel. Start with creating rule-based scenarios, and build an analytics paradigm that aligns with those segments.
- **Choose a Customer 360 platform that connects with your API-first CMS or Digital Customer Experience platform.** There are many vendors to consider, so turn to the cloud for answers. Integration with other AWS partners, as an example, can ensure the scalability you need to elastically grow your program and extend your reach.
- **Test across your experience ecosystem.** Your customers aren't behind a desktop screen anymore, so you need to personalize their experiences across every device. According to StatCounter, Mobile engagements now edge out desktop website visits 51% to 45%.³ If you're an eCommerce platform, don't forget to test the engagement pathways across IoT devices; Alexa could be key to your next sale.
- **Focus on performance.** Personalization requires the right set of tools with the right speed and delivery. Ensuring a good digital customer experience means investing in a cloud-based, highly-available, highly-scalable hosting strategy. Consider a CDN (Content Delivery Network) to provide your customized content to your audience with speed and efficacy. A flexible CMS that lets you easily pair with a powerful CDN like AWS CloudFront to successfully deliver digital personalization at scale to your target audiences.
- **Measure your results.** The final step of digital personalization success could be the most important to the future of your personalization endeavors. Leverage your Customer 360 data to make actionable decisions and make sure what you're gathering is relevant to your user engagement. Rely on data to drive new personalized campaigns and market segments. Your customers will thank you for it.

BENEFITS OF PERSONALIZATION

With more personalized experiences, you can engage with your customers more effectively and impact the value of your digital marketing and outreach programs.

- **Establish stronger brand trust:** Think the Pareto principle on this one. The Center for Retail Management at Northwestern found that up to 15% of a business's most loyal customers account for 55% to 70% of total sales.⁴ Sure, that statistic won't be the same between B2B and B2C companies, but the impact remains: people come back to brands that they can trust to provide quality shopping experiences.
- **Reduce your chance of winding up in the trash:** There's no better way to say it. We've all received messages online and offline that don't apply to us – and the result is often frustration, which can impact brand perception. 78% of customers say they refuse to engage with offers that aren't personalized.⁷ And why would they? A lack of personalization in an offer shows that a brand doesn't truly understand them.
- **Increase your conversion rates:** 77% of consumers said they've willingly paid more for products offered to them through personalized means than cheaper, non-personalized goods & services.⁵ That's evidence enough that personalization makes the difference.
- **Boost your sales and efficiency:** Businesses that personalize web experiences have a 19% boost in sales.⁶ What's not to love about that?

ADDITIONAL BENEFITS

- Better landing page scoring and performance
- More relevant product recommendations
- Less time wasted in both sales and marketing
- Overall better understanding of your customers

PERSONALIZATION CHALLENGES

Over **70%** of businesses say they don't personalize via their website. Worse yet, another **70%** don't bother even personalizing their marketing emails.⁷ With so many benefits, what's stopping businesses from effective digital personalization?

Siloed organizations = siloed data

For personalization to work, the customer experience has to be curated across multiple touchpoints. Each department with a stake in reaching customers (AKA nearly all of them) should make personalization a priority – not just marketing. And since data is the heartbeat of any good personalization strategy, you'll need access to all data across the entire organization. While data silos can be fast and reliable, they can also restrict data flow across platforms.

Marketing teams lack the resources

From design to content to the software and hosting infrastructure, personalization requires a lot to be successful. Establishing user journeys alone takes effort and strategy. The most talented marketing teams have buckled under the weight of these requirements; not adequately staffing has continued to be a hinderance to successful personalization.

Not understanding the end goal of an improved Digital Customer Experience

The purpose of personalization isn't just to immediately drive sales or ride a technology trend. The goal for website personalization must be first and foremost be to improve the Digital Customer Experience. For many organizations, understanding the need to rely on data and test regularly is still a new science, and that has severely limited the growth in this space. This underscores the need to go back to basics.

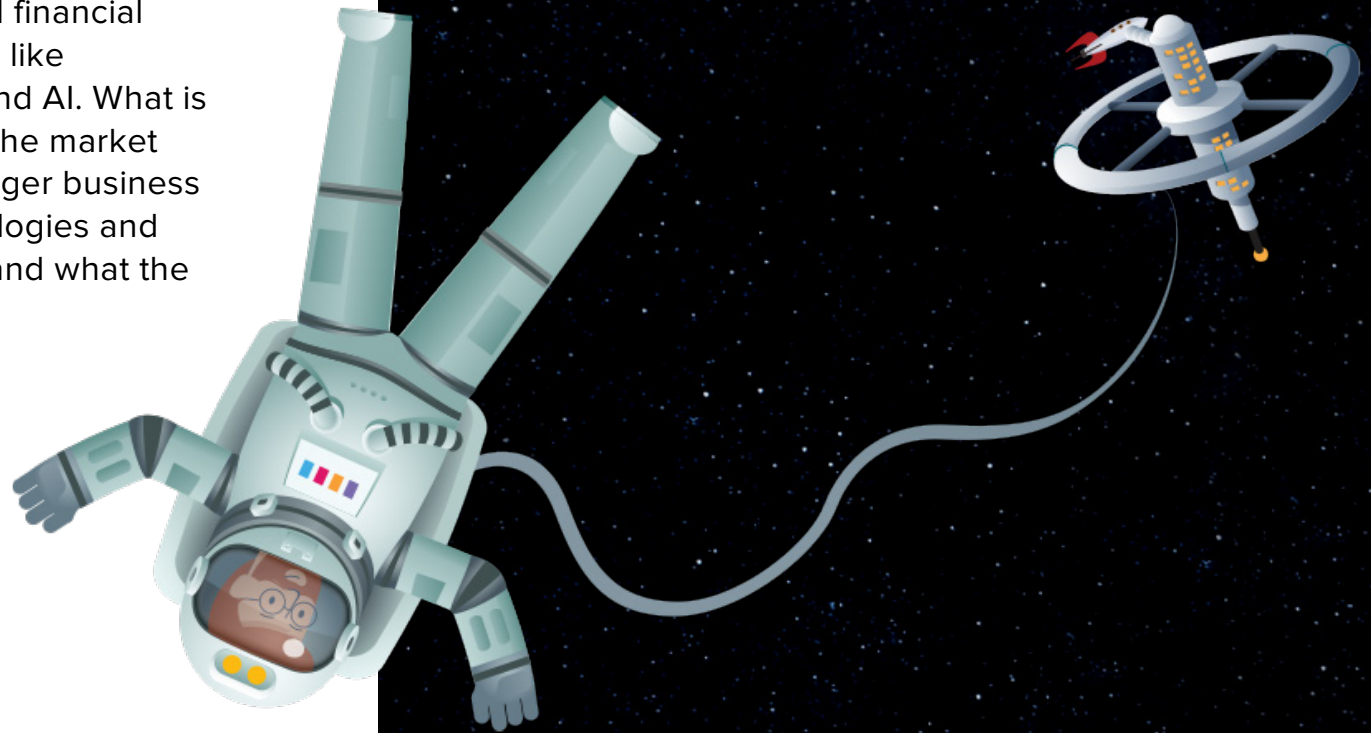
Governance and data privacy

Consumers want more control and transparency over how their data is being used by brands. With new policies like GDPR in Europe influencing the global posture around data privacy – and the persistent challenges are security breaches – organizations have been reluctant to engage in deeper, automated, data-driven technologies and strategies that could impact liability.

Hazy business benefits of investing in personalization

Many companies toy with the idea of personalization because of its hype, but they don't always see it as a core investment in the future. Generalization won't unlock the true power and potential of these technologies and strategies.

Further, many brands struggle with how to measure the benefits and financial impact of investing in things like recommendation engines and AI. What is the cost? Is the ROI clear? The market must continue to build stronger business cases for how these technologies and solutions can be applied – and what the real-world impact is.



BREWING SUCCESS

Digital personalization can seem overwhelming, especially when you look at all the technology that can be involved. But at its heart, successful personalization can be summed in one crowning achievement: **a better customer experience.**

With an adaptable Digital Customer Experience Platform, a scalable hosting infrastructure, and audience-focused marketing, personalization can revolutionize your company's sales success. And as AI and machine learning technologies continue to automate and expand the capabilities, brands will finally be able to unlock the power of personalization at scale.

So the next time you shell out a little extra money for the newest scone your barista recommends, think about how that small bit of personalized care inspired you to act. That warm feeling of being appreciated and understood is what personalization can do for your business.

DRINK UP!





ABOUT SOLODEV

Solodev is a leader in digital customer experience (DCX) innovation. Their flagship product, Solodev DCX, is a content management (CMS) and customer experience platform that lets individuals and teams work together on their digital transformation in the AWS Cloud. Recently named a leading High Performer on the [G2 Grid](#) for WCM for the sixth consecutive quarter, Solodev has also been listed on the Inc. 5000 for the past four years running. An AWS Advanced Technology Partner with Competencies in Government, Education and Digital Customer Experience, Solodev products are available via enterprise terms, on the GSA Contract, or through self-service subscription on the [AWS Marketplace](#). Learn more at www.solodev.com



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