



NAVISTONE[®]



Making it Meaningful: Marketing with Personalization

www.navistone.com



About NAVISTONE®

NaviStone® is breaking new ground acquiring customers for our clients; adding the high response power of direct mail to the insights provided by the web browsing behavior that traditionally drives retargeting display ads. NaviStone has invented a way for businesses to send relevant direct mail to website visitors while maintaining the anonymity of those visitors to both the website owner and NaviStone.

Consumers are providing companies with more data than ever before. In exchange, consumers expect these companies to use that data to understand what they want and when they want it. Well managed web browsing data gives you the opportunity to reach an engaged audience, with an individualized message, at just the right time giving you a “first mover advantage” with these consumers. NaviStone helps through either our turnkey postcard program, or as a data feed to your existing direct mail campaigns.

We’re proud to call Cincinnati, Ohio our home with our headquarters located in Over-the-Rhine.

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“To achieve individualization, marketers should deliver content and experiences to a segment of one, optimized in real-time based on the actions and preferences inextricably tied to that specific customers identity.”

Source: Target Marketing: Individualization is the New Personalization January 8, 2018



The Evolution of Personalization

It's no secret that today's consumer demands a deeper level of customer focus. Consumers are providing companies with more data than ever before, and with this exchange comes an obligation, from the marketer to the consumer, that goes beyond traditional privacy concerns. Consumers are increasingly willing to provide organizations with personal data in order to guarantee an enhanced experience every time they interact with a company. They are willing to share their data with businesses as long as there's something of value for them in return. That something, increasingly, is an individualized customer experience.

Many companies have been engaged in personalized marketing for some time now. An email that begins with the customer's first name is widely considered to be personalized. But, what follows is a message, the same message, that is used across many people. Though it may seem personal, the customer is one of many to receive this message, creating an oxy-moron... generic personalization. This form of personalization was based on limited data and led to guessing as to what the consumers wanted. So, while more personalized, very often missed the mark.

Consumers expect companies to use the data they provide to understand what they want and when they want it, delivered with a personalized message at just the right time. It means delivering relevant, personal experiences across sessions, devices and touch points, deployed in real time throughout your commerce channels. It's individualization.

Individualization is a marketing communication created for the individual in the moment they need it, and there is no other identical instance of that communication out there. This concept of individualization continues to evolve with the advances of big data and real-time technologies that allow for computation and interpretation of the data and is driving increases in customer engagement, conversion and brand loyalty. If you fail to uphold your end of the data contract, you run the risk of consumers being less willing to exchange data for experiential benefits in the future, or worse, abandoning your brand for someone who uses their data in a more effective way.



Old School Personalization vs. Individualization

In order to provide the individualized experience consumers are demanding, marketers need to combine data, intent and technology with an understanding of the buyer's journey.

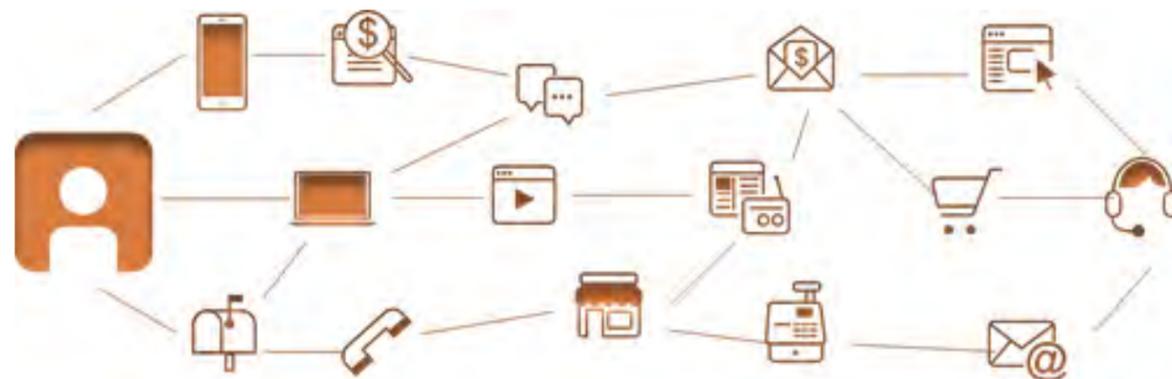
Data: Relying on historical or demographic data isn't sufficient for individualized marketing. Sure, it has its place and can be extremely effective in some aspects of your marketing. It's a great step toward increasing your marketing effectiveness, but it's only part of the equation. It supports segmentation. Advertisers need to have access to enough data, the right data, accurate data, and they need to access it quickly.

Intent: The real key to success is identifying the specific signs of consumer intent — the true understanding of why an individual visits your website at a given point in time. It's not only about whether someone is ready to buy; it's just as important to understand the mindset of someone simply gathering information for a future purchase or for a need-to-know moment. Consumers are telling us what they want, and when they want it. As marketers, we need to be listening. A business that's able to analyze intent and act immediately will not only attract most of those consumers, but they'll be able to convert those individuals into long-term, loyal brand advocates.

Technology: True individualization happens in real time. It requires an understanding of what your target audience wants now. The algorithms necessary to accurately interpret data and determine the intent, requires the latest technology and real-time infrastructure, regardless of where they engage with your brand.

It should also be noted that the technology necessary to interpret the data must be privacy compliant. Personally Identifiable Information (PII) and Personal Information (PI) should remain separate within the process. The right technology to execute true individualized marketing ensures the two types of data are never housed in the same place in order to protect the consumer's information.

The Buyer's Journey: Understanding the buyer's journey may be the best process for "listening". Traditionally, buyers and customers have been forced through a few pre-defined paths created by marketers. While these paths added a level of personalization to the experience, the method has fallen short. Each consumer follows a very specific path on their journey to purchasing. Different messages will influence them at different steps in that journey. By personalizing the buyer's journey, marketers can deliver highly specific and tailored communication tracks. Every customer is unique, as is their path to purchase, and in today's connected world it is more important than ever that brands adapt to how their customers want to be engaged.



This level of individualization lends itself nicely to creating an emotional connection with your customers. The in-depth knowledge of your customers you'll acquire will enable you to assess the unspoken needs and wants of your audience. You'll be able to anticipate their needs and wants and have marketing messages ready for them at the exact moment they need it.

Last but most definitely not least, is commitment. A view of one-to-one personalization or individualization has to be a key component of your marketing strategy and customer experience, not an afterthought.

Personalization reduces acquisition costs as much as 50%, lifts revenues by 5-15% and increases the efficiency of marketing spend by 10-30%.

Source: McKinsey & Company

Implementing true individualization strategies is driving improved performance, including greater open rates, clickthrough rates, conversion rates and ROAS. Equally as important, customer insights and overall satisfaction increase. 88% of marketers believe that their prospects or customers expect a personalized experience. And, of those marketers who are currently using personalization, 88% are seeing a measurable lift. Most are seeing a 1-10% improvement in their KPIs, while 13% are actually seeing improvements of 30% or more.

Source: Evergage, 2018 Trends in Personalization

Individualization by the Numbers

77% of consumers have chosen, recommended, or paid more for a brand that provides a personalized service or experience. *Source: Forrester.*

57% of consumers are okay providing personal information as long as it's for their benefit and being used in responsible ways. *Source: Janrain.*

Just as important as the positive impact individualized marketing has, can be the negative impact the lack of individualization has.

74% of customers feel frustrated when website content is not personalized to them. We've all experienced this. You are targeted for dog food, when you've only ever bought merchandise for cats. You get the promotion for a product *after* you've made the purchase. You get the ads for baby merchandise when your youngest child just left for college. *Source: www.evergage.com*

A good example might be, a "local" grocery store. Once a quarter, individuals get store coupons for the exact items purchased every week. The store may be geographically out of the way but, because they have successfully honed in on offering relevant discounts, customers make the trip to cash in on the discount. And, typically buy a lot of the items without a coupon. Individualization is smarter marketing. Period.

79% of consumers say they are only likely to use brand promotions if the promotions are tailored to previous interactions. *Source: Marketo, 2015.*

So, the majority of marketers understand the importance of personalization and see its benefits. And while we know the importance of individualization, only 12% of marketers believe they are doing it well.

60% of marketers struggle to personalize content in real time. And when you commit to personalization, you can never go back. Customers will notice, and they won't like it. *Source: CMO.com by Adobe*





What is Important to Personalize?

Since individualized marketing relies heavily on your understanding of consumer intent, you need to be in tune to the signals your prospects and customer base are providing. Different consumers will have different intent signals. Different businesses will have different intent signals. When assessing consumer intent, keep an eye out for some basic things:

- # of times a site has been visited
- # of pages / products viewed
- Which products have been viewed
- Visits across multiple devices
- Cart activity
- Whether or not additional information (contact information, request for quotes, etc..) was provided or even if the consumer started to provide it.

This information will allow you to individualize in many ways.

- Coupons, discounts and rewards programs
- Product recommendations based on product purchase history
- Helpful and personable customer service
- Utilization of saved information for a more convenient experience.

Incorporate personalization across all content and contacts for that truly individualized outreach.



What Does the Future of Personalization Look Like?

In thinking about the future, you can't help but think about the past. A great expression of late: What's old is new again. While we may not remember the days of going into our local stores, where the shopkeeper knew us by name, knew our preferences, knew our budget constraints, and were able to make recommendations - heck they even did their buying with us in mind - that is the business model that is being replicated today in a scalable way through individualization.

At the center of true one-to-one marketing is Artificial Intelligence, in particular, machine learning. Survey data and stated intent enabled personalization in the past. Technology will take over as the means to leverage preferences and intent for individualization in the future.

Machine Learning is the programming of computers to make intelligent decisions—and to draw conclusions—without human involvement.

Machine learning in the context of personalization, is used to make the best decision about which experience to show each person at the one-to-one level, dynamically present that experience and select the best channel (email, web, mobile, or social) across which to provide that experience, based on the individual's previous interactions with the brand.

Machines, while providing the ability to scale individualized marketing programs, will never completely take over for humans. Human interaction and guidance are a key component to the most effective machine learning based programs. Part of the human component involves the data that is being fed into the program. Marketers need to continually research and evaluate new data sources to enhance the learnings and further individualize.



Personalization Across Channels

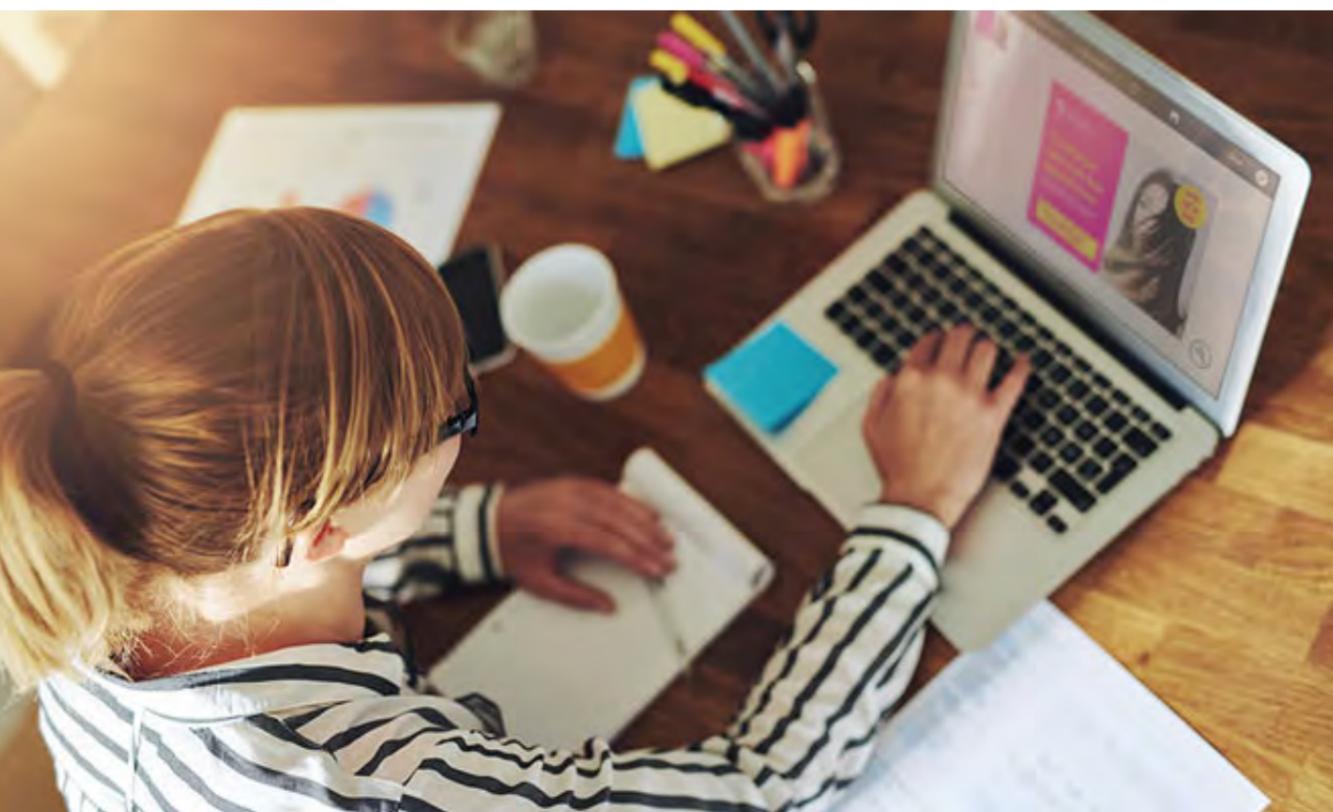
Email is the most personalized channel today. But is it personalized enough? Consumers are receiving more than 270B emails annually and that is expected to continue to increase. Is the personalization of today enough to cut through all that clutter? And speaking of clutter, digital advertising is said to be the most cluttered channel of all, with consumers seeing well north of 1,000 impressions each day.

Personalization should not and cannot be limited to online experiences. While easier because of the vast amount of data available, marketers need to maintain this level of personalization across channels. "It's critical in the era of the social web and sharing economy for marketers to ensure they're personalizing experiences in the 'offline' or physical world, as well as its digital counterpart, and always grounding it in data." Ann Lewnes, CMO Adobe.

One channel that is decidedly uncluttered: direct mail. Leverage the intent data consumers share across all channels to individualize their direct mail experience.

Providing that truly individualized marketing experience that is unique to each customer and where they are on their journey, will cause consumers to feel as if they are understood by your company. This, in turn, will cause them to be much more likely to be a long term, loyal customer and refer you to others.

All brands will need to incorporate the notion of individualization into their marketing strategy. It's not just for Amazon and Netflix, although they are certainly the companies to watch. It's critical for everyone. What is now a distinct advantage, is quickly becoming table stakes. Once a consumer experiences this type of individualization, they won't expect or accept anything less.



Conclusion

Marketing, by definition, is the management of exchange relationships. It's used to create, keep and satisfy the customer. By nature, marketing is about understanding and communicating the story about how your product solves your customer's problem. In communication, the most critical component is listening. What are your customers saying? What are they searching? What are they browsing? By understanding all these digital clues, they are leaving behind, brands are getting smarter about how to not just serve a "one-size-fits-all" strategy, but an individualized one that drives results.

Get personal. Make sure your brand is being seen, heard and invested in. All marketing should begin with the customer. The right data, the shopper's intent, the sharpest technology and knowledge of the buyer's journey. All these elements combined provide the most impact for both you and your customer.





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