



CHEATSHEET

Delivering personalized experiences: 4 steps to boost conversions



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What do we mean by personalization?

Personalization means tailoring your marketing communications to appeal to the individual using a combination of data and technology. Personalization allows you to send meaningful and highly-relevant communications to your customers, at scale.

These days consumers can generally find any product they desire with a quick internet search. Great for consumers, but it has a huge impact on customer loyalty and brands need to step up their retention tactics to keep customers happy.

In a competitive market, you want everything about your brand to be the best it can be. That means optimizing every stage of the customer journey, and personalization is a tried and tested method for increased engagement.



Bettering the customer experience

Customers want personalization

McKinsey found that seventy-one percent of consumers expect companies to deliver personalized interactions. And seventy-six percent get frustrated when this doesn't happen.

A good experience is one that feels like it was made for you. Everyone wants to feel valued, and understood. That may sound a bit deep for a marketing cheatsheet - but the psychology of why personalization matters, matters.



Ever heard of the cocktail party effect?

The American Psychological Association define the cocktail-party effect as “the ability to attend to one of several speech streams while ignoring others, as when one is at a cocktail party. Research in this area in the early 1950s suggested that the unattended messages are not processed, but later findings indicated that meaning is identified in at least some cases. For example, **the mention of one’s name is processed even if it occurs in an unattended speech stream.**”

Basically, the world is one big cocktail party, with consumerism and marketing being a huge chunk of that. Brands are all trying to get their message out there, but consumers are overloaded, overwhelmed, and don’t know where to focus. Many messages are tuned out, the human brain literally can’t comprehend so many different streams of conversation, or messaging, at once. So it switches off. Until your name is mentioned.

Personalization is this basic principal. And it’s never been more relevant than today with a market more saturated than we’ve ever known. To cut through the hubbub of the consumerism party, you need to be having the conversation your customers want to join more than any of the others around them.

To do that, we use personalization.





The 4 steps for delivering personalized experiences that convert

Step 1: It all starts with data collection

To know how to personalize your marketing to appeal to someone, you need to know them. On the surface, the word 'data' can conjure up images of spreadsheets, number occupying the cells and not much else, but data is intel. It's a record of your customers behaviors, wants, and interests.

We can split customer data into two types: first party and zero party data. First-party data, also known as behavioral data, is information that a company directly collects via its own channels and sources. It's information a brand collects naturally as a customer interacts with it, rather than explicitly asks for.

These channels include:

- Mobile apps
- Websites
- Social media
- SMS
- Email
- And more

An example of this data could be:

- Order history
- Browsing data
- Email click data
- Ad clicks
- SMS opens



By tracking your customers' behavioural data, you can personalize their customer experience with marketing automation. Ensuring that they get the right message, at the right time for them. Set up program automations which send out campaigns triggered by certain behaviours, or lack of, so that the customer journey is truly personalized to a customer's pace and preferences.

Zero-party data on the other hand is any data shared willingly by your customers, captured by simply asking them for it.

Examples of zero-party data collection:

- A survey
- A sign-up form
- A preference center
- A feedback questionnaire

You can use your preference center to ask customers which product categories they want to hear about, how often they'd prefer to hear from you, and which channel they like most. This gives you insight you can use to personalize their customer experience. This makes your communications more efficient and successful, whilst also reducing the likelihood of unsubscribes.



01 Action it

Feature snapshot: preference center

Setting up a preference center with Dotdigital is super simple.

- 1 Set all contact data fields, preferences, and address books that you want to show in the preference centre to public. By default, contact data fields and address books are private.
- 2 Then insert a link to the preference centre in your campaign, it's that simple.

Handy links

Get all the details and easy to follow instructions on [how to set up a preference center](#).

Find out how best to [utilize these preferences](#).



Step 2: Segmenting your audience

You've got your data, now it's time to put it to use. The days of sending the same content to your whole database are over. Use segmentation to split out your audience into groups that have the same preferences and similar behavior.

You can group audiences based on their similar traits such as gender, location, interests, and purchase behavior. Segmentation lets you easily send to a select group, so you know the content will interest them. You can add in multiple segments to a campaign send too, layering the perfect group for a campaign without creating a new segment every time.



Segmentation tools

Dotdigital's **lookalike segment builder** allows you to easily create a segment based on one customer's qualities and behavior. So if something works for one customer, you can then easily replicate it with others who share similar characteristics and behaviors.

Utilize Dotdigital's **eRFM technology** to look at the engagement, recency, frequency, and monetary values of your customers. This helps you identify and segment your customers and work to spot new opportunities. eRFM can also help you identify which customers need a discount code to get them over the line, and which don't - so you're never missing an opportunity at the final hurdle or giving away revenue unnecessarily.



02 Action it

Feature snapshot: eRFM modeling

RFM modelling creates seven personas that can be made into audience segments

- **Non-customers:** potential customers who have subscribed to your newsletter but haven't made a purchase.
- **Inactive:** customers who have not made a purchase in a long time.
- **Need nurturing:** customers who are about to fall into the 'inactive' segment.
- **High value:** customers who have spent a lot with you, but have not shopped recently.
- **Recent:** shoppers who have been actively purchasing from you.
- **Loyal:** customers who shop with you frequently.
- **Champions:** shoppers who frequently spend a lot of money with your brand.

With the addition of engagement insights, these personas are broken down further into four categories

- 1 Lightly engaged
- 2 Engaged
- 3 Highly engaged
- 4 Most engaged

Handy links

Understand the eRFM scoring and decision window with [our guide](#). Learn how to use the eRFM block in the segment builder, explained in [this article](#).

Step 3: Creating personalized, dynamic content

You want an email to be personalized to the recipient. Including their first name, products that they're interested in, maybe a note about an in-store event at their closest location. Thankfully you don't need to create a campaign for every version, or person (can you imagine?) - the tech is here to help.

Data fields

Using data fields in your campaign creation is a simple way to ensure that the campaign feels unique to the customer as it means it will be populated with content unique to them.

Data fields include:

- **Default contact data fields:** email, first name, full name, gender, last name, last subscribed and postcode.
- **Created contact data fields:** any contact data fields you've created for your account (e.g. date of birth, city, company name, etc.).

- **Account data fields:** sender address (the postal address for the account) and a safe sender message (which includes the 'from' address you're using for the campaign).
- **Insight data fields:** this is a more advanced option allowing you to insert appropriate Insight data for contacts or your account. For more on this type of data, check out **Insight data** and **Account Insight**.

Using these allows you to add in unique characteristics to your copy. Remember the cocktail party effect we discussed earlier? Even a simple first name field in a subject line can be enough to grab someone's attention in the cocktail party that is an email inbox.

Dynamic content

As well as personalizing with data fields, you can create whole different blocks of content that appear based on a customer's data. Using Dotdigital's Dynamic content block lets you tailor your email campaign so different groups of your contacts receive different content, different offers, images, copy, or calls to action.

You can even **utilize insight data from Facebook lead ads** to personalize your campaigns. Create personalized campaigns informed with a contact's most recent Facebook ad data, such as the last ad they clicked on. Utilize Dotdigital's Dynamic content blocks to serve up content you've curated especially for them based on the content they responded to.

You need to set up variations of content, and rules for when these versions will be shown to the recipient. One thing to ensure you do every time, is set a default variant. This means if any contact has a missing data field, they will see your default version rather than a blank space.



03 Action it

Feature snapshot: Using the dynamic content block

A dynamic content block contains three elements

- **Default:** This is the default content that your contacts see if you don't set any rules. Your default content can be blank if you don't want your contacts to see the content by default.
- **Variations:** This is the content that you want contacts to see, if they meet specific criteria set in your rules. This content can be blank or contain any other EasyEditor blocks, including other dynamic content.
- **Rules:** These are the criteria you set to determine if contacts see the default content or a variation. For example, Gender equals male or Age is greater than 65. Rules can be much more complex than this, though.



Step 4: Utilizing AI technology for personalization

Product recommendations

Thanks to AI, which can run the numbers much faster than any human can, personalization can go even further. Dotdigital's AI-powered product recommendations figure out exactly what product is likely to pique a customer's interest, and shows it to them.

There are seven pre-designed product recommendations:

- **Best sellers:** Products that have sold the most, favouring more recent sales.
- **Trending:** Products that have a combination of high recent sales and high recent web views.
- **Most viewed:** Products that have the most views on your website, favouring more recent traffic.
- **Lookalikes:** Uses AI to identify products similar to items the customer has previously purchased.
- **Best next:** Uses AI to predict the next products in the customer journey by matching to similar shoppers.
- **Also bought:** Uses the most recent purchase or currently viewed product on your website to recommend popular products customers also bought.
- **Custom category:** Chooses the most recently added products based on your filters.

These are all optimized for different parts of the customer journey so that you can effectively target your customers with the perfect product inspiration. Showing customers products they're likely to want next not only increases your odds of a sale, but also makes their lives easier - it's mutually beneficial.

Predictive analytics

AI can also identify what a customer is likely to do next. In Dotdigital we offer **predictive analytics**, these are insights powered by AI learning. These powerful insights help you stay a step ahead of the competition and pre-empt your customers' next move.

Predictive analytics focus on:

- **Churn probability:** (e.g. This customer is 40% likely to churn).
- **Predicted next purchase date:** (e.g. This customer's next purchase date is predicted to be June 3).
- **Predicted customer lifetime value:** (e.g. This customer's predicted CLV is \$360).
- **Predicted total future orders:** (e.g. This customer is predicted to have three future orders in total).

You can create segments that use predictive metrics to decipher which customers to include, such as predicted next purchase date. This means you can send campaigns personalized to a customer's individual spending cycle and likelihood to buy.



04 Action it

Feature snapshot: Product recommendation tiles

You can see the product recommendation tiles on the product recommendations builder. These tiles include all of the information you need to find the perfect recommendation type for your campaign.

Each tile displays three pieces of information

- **Title:** The name of the product recommendation.
- **Channel tag:** The channels where you can use this recommendation - for example, Email, Landing page, or Website.
- **Description:** A short description of the recommendation.

Handy links

Learn everything you need to know about using the [product recommendation builder](#).

Read our step by step [guide to creating a product recommendation](#).



Personalization: a world of opportunity

Personalization is necessary to grab consumers attention. As a marketer, the wealth of data and technology available to you mean that your communications can be super targeted to the individual, whilst also working at scale.

Utilizing the steps outlined in this cheatsheet will see you create campaigns that grab attention, drive conversions, and also inspire loyalty, thanks to relationships that are forged on a deeper connection and understanding.



Deliver personalized experiences

Grab your customers' attention with Dotdigital's personalization technology. Send highly relevant campaigns at the optimal time, every time.

See Dotdigital in action

[Watch a quick demo](#)





Discover more at dotdigital.com