



A Definitive Guide to Selecting an AI-powered Personalization Platform

Hyper-Personalized Experiences
Delivered at Key Moments





Contents

- I. Introduction 3**
 - Why Personalized Engagement? 4
 - Why Use AI For Personalization? 5

- II. Getting Started: 6**
 - First, an Internal Review 6
 - Selecting a Personalization Partner 7
 - Tips For Getting Personalization Right 9

- III. Examples of AI-Powered Personalization 12**
 - Retail 12
 - Quick Service Restaurants 14
 - Financial Services 15

- IV. The Future of AI-Driven Personalization 16**



I. Introduction

The internet has democratized the global economy. As a result, consumers have more choices and companies have more competitors than ever before. To get their attention, business leaders need solutions that enable them to connect with consumers through interactions that are unique and personal. Technologies like AI-powered customer engagement platforms enable them to adapt more quickly to customers' demands with relevant, meaningful and personalized interactions. These technologies offer a simplified method for aggregating data sets and automating relevant communications for customers, delivered at the right time, on the right medium, at the right location.


Marketers have been investing an average 14% of their marketing budget into personalization. Of that, an estimated 44% of personalization spend goes toward technology.¹

Why Personalized Engagement?

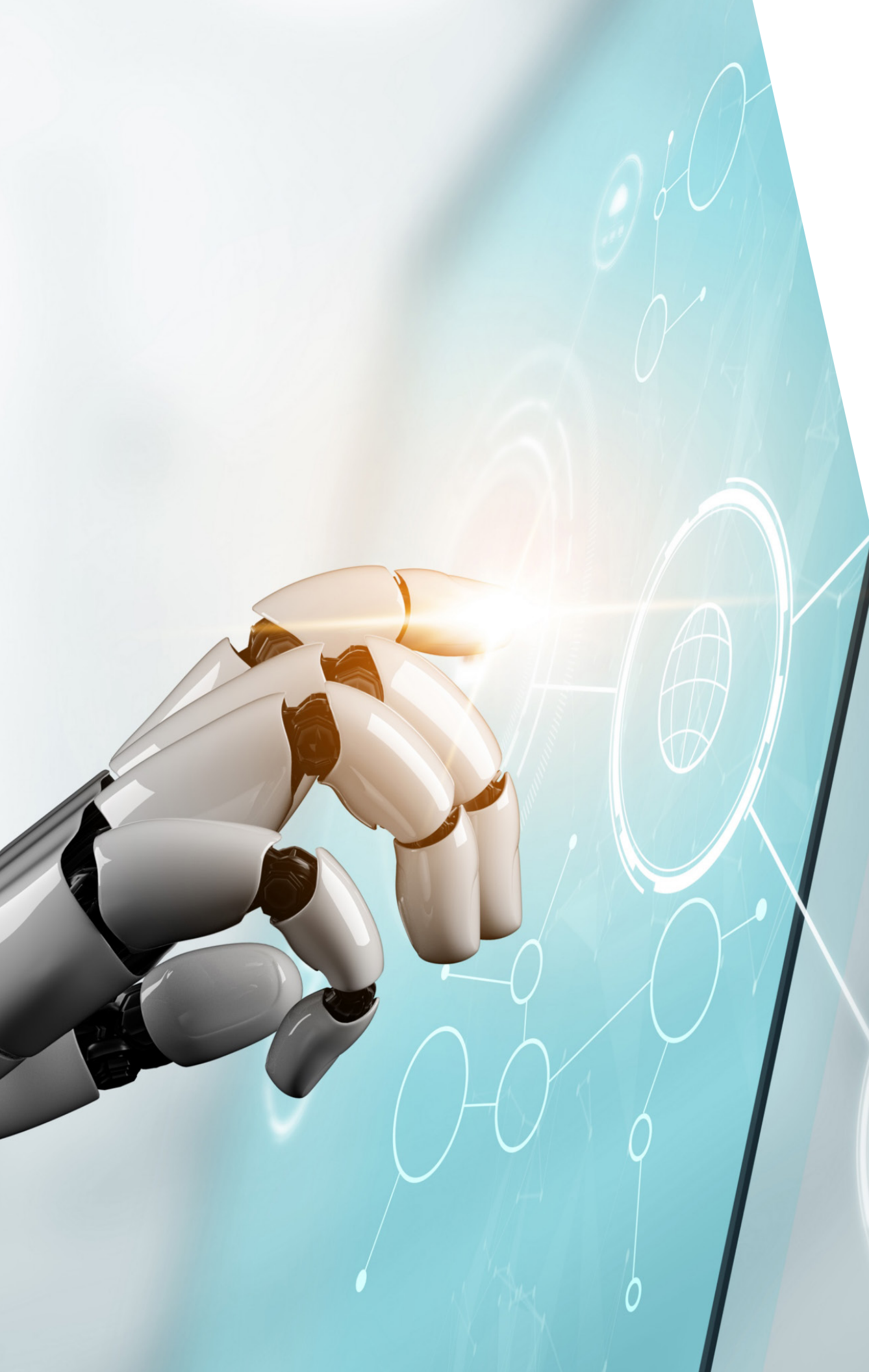
Today's consumers expect businesses they interact with to know them and understand their needs. They are willing to provide personal information if the business can demonstrate the use of this information to help and guide them -- instead of solely retargeting, hindering or pressuring them. In particular, younger audiences expect personalized interactions and are quick to demonstrate impatience with engagement attempts that are not relevant to them. Customers, millennials in particular, maintain individualistic attitudes and believe that the brand they interact with should reflect their perception of self. While they are a demanding audience, when satisfied, they are more likely than previous generations to become brand advocates.

As a result, personalization offers an unprecedented opportunity for companies to engage with consumers and provide differentiated experiences with meaningful and relevant interactions. It has the potential for brands to integrate themselves more deeply than ever into the daily lives of their customers. This is a boon for companies because a personalized engagement strategy not only improves key KPIs in marketing, e-commerce, and customer service but also positively influences loyalty and advocacy.

88% of U.S. marketers reported seeing measurable improvements due to personalization — with more than half reporting a lift greater than 10%.²



Hi Isabelle, purchase this dishwasher in the next 30 minutes and get \$50 off your order.



Why Use AI For Personalization?

Succeeding in delivering personalized customer engagement requires practice and masterful data management. Gathering and analyzing myriad data from a proliferation of digital touchpoints into a single customer view is complex. While rudimentary personalization could be managed with human diligence, it cannot scale without AI, specifically machine learning (ML), to make sense of complex online and offline data sets in real-time. **Artificial Intelligence (AI) is necessary to deploy high volume, cross-channel, or omni-channel personalized engagement that reacts seamlessly to the consumer's current behavior.**

Industry experts agree that AI-powered personalized engagement is the most effective method available today to bridge the gap between products and customers/prospects. Done wrong, however, companies risk damage to their reputation and revenue. When brands reach further into the personal realm, they risk offending perceptions of anonymity in ways that traditional business-to-consumer communications initiatives do not. It is critical that companies take an approach to building a customer engagement strategy and work with experts to ensure they leverage the right techniques for the right audiences.

78% of U.S. Internet users said personally relevant content from brands increases their purchase intent.³



II. Getting Started:

First, an Internal Review

According to experts, the most common points of personalized engagement failure are gaps in knowledge and planning. Do not invest in any technology until your strategy is crystal clear. This includes clarity of objectives, goals, use cases, target audience, data sources, delivery channels, and more.

To begin developing a personalized customer engagement strategy, start with an internal evaluation of customer preferences, technology, internal resources, existing staff skills, and business challenges.

Questions to help kick-off the process:

01. Why personalization? Which customer touchpoints do NOT need personalization?
02. Are visitors and customers willing to share their data? What are their data privacy concerns?
03. What information and services do visitors and customers want?
04. What other audiences should be reached? What is important to these audiences in particular?
05. Is personalization for known customers only or also for unknown visitors?
06. What customer data is already being collected?
07. Can data collected from different departments be pulled into a single view?
08. What kind of data should be collected? Historical, live or third-party data? Or all?
09. Is it time to apply knowledge about customers to improve engagement AND revenue?
10. When, how, and where would be the optimal engagement opportunity? How is the opportunity determined?
11. What are the use cases? Which use case(s) is the highest priority?
12. Is the team adept with deploying use cases and testing their performance?
13. What results must be achieved to be successful? How is success measured?

Selecting a Personalization Partner

After the internal evaluation is complete, it is time to discuss the needs with a customer engagement solution provider. The right solution provider will offer solutions that map to the KPIs that are established during the planning process. They will provide expert guidance on matters, including data selection, and collection, engagement channels, and measurement.

In particular, look for a provider who:

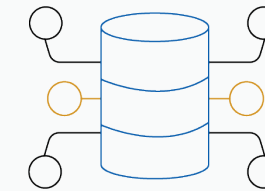
- Is nimble enough to add use cases as quickly as needs grow.
- Has industry expertise and can work on setting up machine learning models that are appropriate for the business.
- Will provide predictive insights to enable the delivery of personalized experiences at the optimal time.
- Identify gaps and recommend opportunities to leverage new data

Personalization is currently the most effective method for creating authentic relationships with consumers to improve brand loyalty, deepen engagement and increase conversions. Not surprisingly, hundreds of solution providers promise a personalization solution. The questions asked during the evaluation stage are critical for your success.

Tips When Selecting a Potential Partner

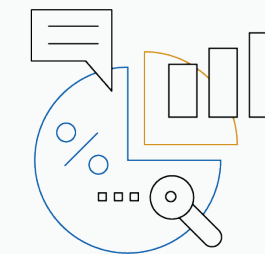
Many personalization platforms look alike. Ask the right questions to ensure finding the right solution for the business.

An ideal solution provider will have these capabilities:



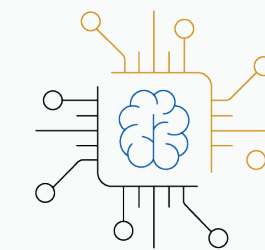
Data capture & Ingestion

Should be able to gather and integrate data from multiple in-house enterprise systems and third-party sources with ease



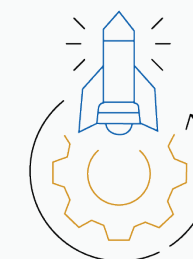
Insights

Should be able to analyze data and form insights based on multiple factors to identify how to best interact



Decisioning

The right AI-driven platform can leverage predictive algorithms to determine what kind of engagement is ideal for each individual, where, and when it should be delivered



Execution

The capability to deliver ideal engagement via the optimal channel securely at just the right time

Questions to ask when evaluating a personalization platform:

01. Do you provide omni-channel support? Which channels? Can my visitor start in one channel and continue in another channel?
02. The five key components of data-driven personalization are data, technology, content production, talent and message delivery, and execution. How will each area be addressed?
03. Does the platform support personalization for marketing, digital commerce, and customer experience?
04. What, if any, other technologies will need to be operationalized to deliver AI-driven personalization?
05. Do you have customers in my industry or an industry with characteristics similar to mine?
06. What delivery channels are supported?
07. What other types of cost-effective, third-party data can be found and integrated?
08. Can the platform integrate with my existing technologies such as CRM, CDP, data lakes, etc.?
09. Can the platform be just as effective even though I don't have a data lake or CDP?





Tips For Getting Personalization Right

There is much to consider when planning for and investing in a personalization solution. After dozens of successful deployments, ZineOne has put together this list:

- 01. Evaluate existing data.** Dig deeply in the organization to identify and gather relevant existing data. Consider what data is most important and how to collect and integrate data with existing marketing tools.
- 02. Identify existing internal resources.** What marketing tools are there currently to create a personalization strategy and measure its results? What expertise are maintained in house for identifying and integrating data?

While 80% of marketing personnel vouched for AI to revolutionize their efforts over a period of five years into the future, only 26% were actually confident of understanding and working with AI. Furthermore, only a mere 10% resorted to using AI currently for their business.⁶

- 03. Conduct customer research.** Understand your customers so you know what is important to them. What are their preferences? Do they trust your brand? What are their online security concerns? Are customers willing to opt-in to receive communication from your brand and provide their preferences? Where will personalization tools improve the buying journey experience? What kind of information and functionality offer meaningful value to them? While this may be intimidating, the collective information will help focus your efforts.
- 04. Convert research to a personalization strategy and GTM plan.** The go-to-market plan should be a guide for preparing, executing, testing and scaling measurable goals. It should be determined by three factors:

- **Customer Preferences.** Consider the lifetime value of target segments and ensure that this audience can offer a strong return on your investment in personalization. Don't be surprised if personalization is not always the right strategy.
- **Internal capabilities.** Consider how to leverage existing resources, identify training needs, onboard data feeds, and determine how to eventually scale. What skills must be acquired or added?
- **Success milestones.** What milestones must be met to scale to the program? In their zeal for personalization, many business leaders invest in technology solutions before their strategy is determined. This is an ROI-killer.

Clear strategies and goals (42%) for attaining personalization at scale and being able to produce actionable data & visualizations (39%) are the two most important success factors enterprises concentrate on today.⁷

- 05. Get an executive sponsor.** After the research is complete, present findings to the most senior executive that will understand the value of personalization. This is a crucial step to secure funding. In fact, "Finding a C-Level champion increases the probability of success by 70% or more."⁴
- 06. Use common sense.** When determining content and delivery, consider your needs and interests. What is the audience's connection to your brand? How comfortable are they? For example, consider consumers over 60. They are not technology natives and will be more sensitive.
- 07. Conduct a pilot.** Start small with a measurable pilot that has no more than 2-3 variables on a receptive audience, like young urban professionals.

Identify a first deployment that can be implemented with existing internal resources. Test and compare multiple channels. Measure the results and secure buy-in from stakeholders before making a significant investment in personalization.

- 08. Test and measure. Test and measure again.** Create a consistent testing process for every new element of the personalization program. Test measurable items like behavior, engagement, new vs. repeat business/revenue, etc. Then compare the results to past efforts. Don't rush through the creation of the testing plan. Carefully consider what results will have value for the company and improve the program over time. The program will scale faster by routinely identifying gaps, changes in behavior and attitude. Make sure to be able to prove the ROI before making further investments. Review Gartner's "Crawl, Walk, Run" approach⁵ for details of each stage.
- 09. Refine strategy.** After the pilot is complete, update the plan to reflect learnings, ROI and KPIs achieved, data gaps, and incorrect assumptions. Pay special attention to scaling and measuring a larger, more complex program.

58% of enterprises have seen a significant increase in customer retention and loyalty as a result of using customer analytics.⁸

- 10. Engagement starts within.** There are more stakeholders that can support and benefit from the personalization program. Share plans, use cases, goals, and results with executive, marketing, technology, data,

operations, sales, and/or service teams. Not only will this generate excitement, but insights could improve results of personalization initiatives.

- 11. Develop personalization expertise in-house.** It is important that knowledge is managed properly and shared within the organization to ensure a seamless transfer of information and consistent training during transitions. Make sure that 2-3 employees are analytics and personalization platform experts at all times to prevent disruptions in the program. Professional service and support teams from credible providers should assist with this effort and fill gaps.

Increasing personalization in more channels can increase overall consumer spending up to 500%.⁹

- 12. Avoid using multiple platforms.** Using multiple marketing, data, and/or personalization tools could interfere with seamless deployment to multiple audiences and the ability to accurately measure results. Not only is it more expensive and time-consuming to maintain, there is also a risk with inconsistent customer experiences.
- 13. Scale thoughtfully at the right time.** Data sources, analytics, decisioning rules/processes, optimal message delivery, and execution are all crucial for a successful expansion of a personalization program.



III. Examples of AI-Powered Personalization

So how might personalization look for a particular company? Personalization is only limited by imagination (and several important privacy laws). Here are 3 use cases leveraging different content, data types, delivery methods, and business results.

Retail

No industry is more sophisticated in the use of promotions and special offers than retail. Email, recommendation engines, and loyalty programs have been stalwarts in this industry. Now they are a commonplace and suffer from diminishing returns. Retailers need authentic and individualized customer engagement to increase brand loyalty.

A fictitious retailer, Big Box Hardware was steadily losing online business to Amazon and other online retailers. The company knew that customers were shopping based on price for most items. Big Box Hardware sought to differentiate with a higher-touch model and updated its loyalty program. The only thing left was to find a better method for engaging its customers.

Big Box Hardware chose ZineOne to help them reach their customers with personalized interactions and delivered via optimal channels at ideal times:





01. When a winter storm was predicted to hit the East Coast in 3 days, Big Box Hardware sent an SMS to every customer within 45 miles of its brick-and-mortar locations in the affected area. This alerted them to the expected snow and of their Winter Sale. Snow blowers, space heaters, and generators were all on sale.
02. Fickle, price-shopping customers left nearly \$3 million dollars in potential revenue in their shopping carts each year. So Big Box Hardware leveraged an AI-based engagement platform to identify and engage with these on-the-fence shoppers while they were still browsing. With the AI-based engagement platform, the company could predict which visitors would not make a purchase after adding an item to the cart. Furthermore, the platform determined that items weighing more than 30lbs are most likely to be abandoned in cart. Leveraging these two insights, the platform engaged with on-the-fence shoppers while they were browsing with a free-shipping deal if they made the purchase within the next 20 minutes.
03. Every loyalty customer received an email that was triggered when their points were going to expire within 30 days. Big Box Hardware also showed the updated price for Wish List items using those points.

Highest achieving enterprises have developed machine learning algorithms that learn when and how to offer upsell and product recommendations, adjust pricing based on demand and competitive pricing strategies.¹⁰

Quick Service Restaurants

Thanks to Starbucks, there is now a coffee shop on nearly every block. Getting a share of that business for independent stores and other chains is extremely difficult. Aroma Bean, a fictitious coffee shop, is a regional quick service restaurant for coffee, breakfast, and lunch food items. When Aroma Bean opened 6 new locations in Portland, OR, it needed a non-traditional method for engaging this young, affluent, coffee-loving market.

After surveying users and studying their behavior in established markets, Aroma Bean decided to employ a personalization program and geo-fencing technology to increase location awareness and purchase of non-coffee items. Aroma Bean selected ZineOne because of the ease with which the company could integrate multiple data sources into real-time, relevant interactions on mobile devices.

Using the engagement platform's machine learning (ML) and geo-fencing capabilities, Aroma Bean could alert customers that participated in their loyalty program when they were near an Aroma Bean location. The company also identified other relevant data points like weather and time-of-day to create just-in-time messages. Here are two examples of Aroma Bean's AI-driven personalization program:

1. On a 75° summer day (a SCORCHER for Portland), notified every user who crossed a geo-fence (and were therefore within a half-mile of a location). It said, "It's HOT out there! How about cooling off with an iced coffee from Aroma Bean?! Turn right in .two miles and hit our drive-thru window. There is only 1 car in line right now."
2. At 11:30 AM on a Friday, Aroma Bean pushed a notification to every customer in the loyalty program that had not made a purchase in the last 30 days, offering them a free cookie with each sandwich purchased until 2 PM that day.

And these are only two of the campaigns that Aroma Bean had at their disposal.

As they studied the buying behavior of Portlandians, they were able to identify dozens more effective scenarios.

Calls-to-action (CTAs) personalized to individual visitors have a 42% higher view-to-submission rate than generic CTAs that are the same for every visitor. ¹¹



Financial Services

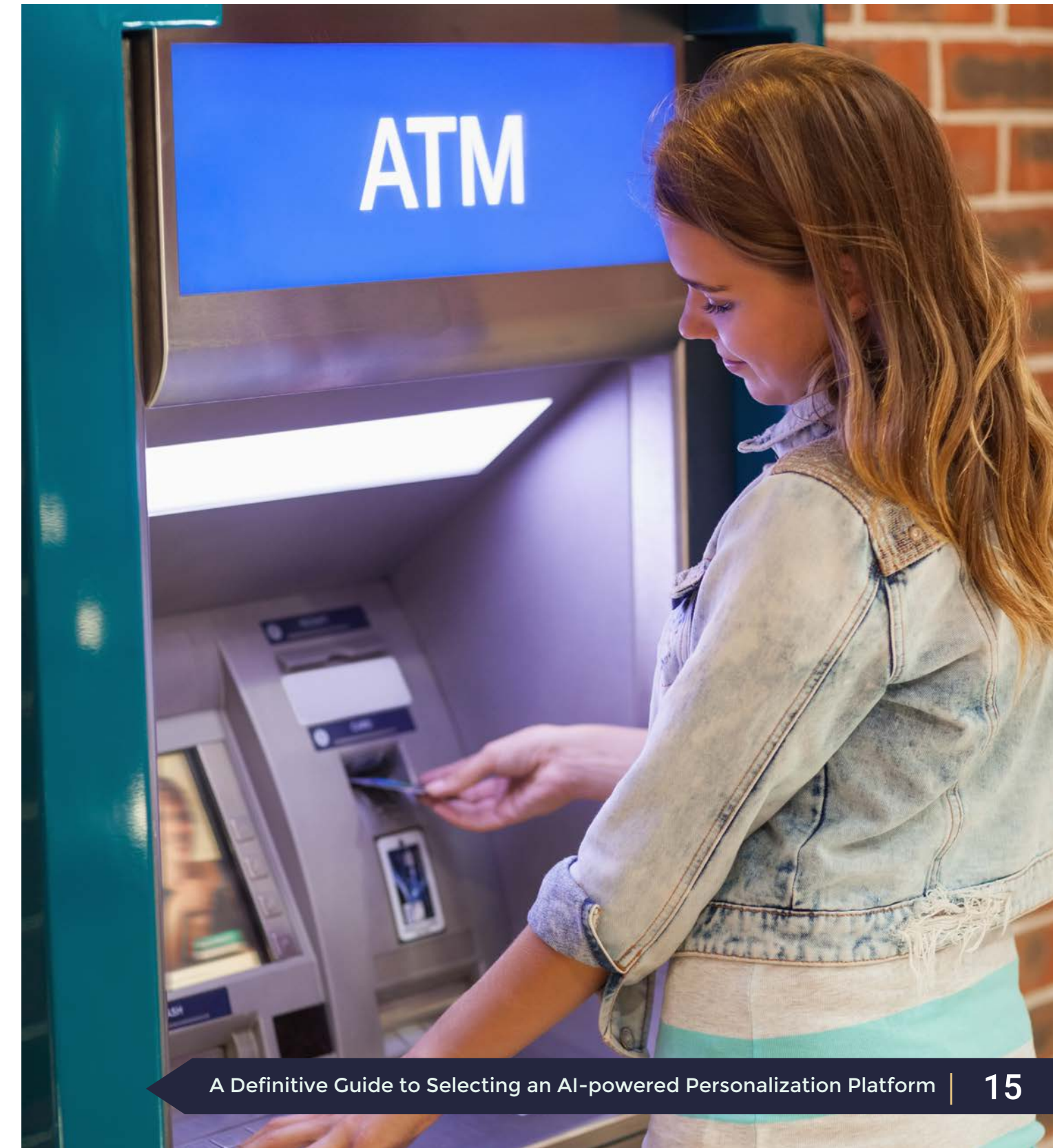
The success of financial services companies is built on trust and loyalty. When ABC Bank identified increasing abandonment rates on forms and applications among customers, it needed a method for converting this low hanging fruit into revenue. It was not practical for follow-up by bank staff because it could not scale sufficiently to support the growth that the bank sought for its investment and loan services.

ABC Bank, a fictitious bank, needed a scalable method for engaging customers no matter what platform they used to start the application on both desktop and mobile. The bank however, was concerned that this proactive communication might offend privacy-sensitive customers. The approach had to be just right. Working with an AI-based customer engagement platform, the bank implemented a 3-step automated, AI-driven mobile personalization program to send reminders and facilitate users' return to the site:

1. The first touch was an email with a gentle reminder that they had not completed the form. That email included an encrypted link to the pre-filled form so the customer could pick up where they left off. If the user opened the email, but did not complete the form, they were automatically pushed to a list of dormant leads.
2. If the user did not open the email within 72 hours, the platform program sent a push notification to the desktop, tablet, or mobile device the customer used to start the application. That push notification also included an encrypted link to the incomplete form. Again, if the user opened the push notification and did nothing, the lead went dormant.
3. Using customer feedback from the planning stage, ABC Bank knew that three communication attempts was the maximum tolerance of its customers on a single topic. For its third and final attempt, it sent an SMS message at six in the

evening after the next workday, when the user was more likely to have time to complete the form. They also tested weekend delivery.

Using a variety of message delivery methods, ABC Bank was able to avoid user fatigue and achieved an increase in form completions.



IV. The Future of AI-Driven Personalization

Personalization platforms powered by AI will only become more powerful in the coming years as they adapt to the evolving business needs and customers' interests.

What other personalization innovations might be expected in the coming years? Here are some of the most promising trends to watch:

- Automated omnichannel engagement.
- The addition of offline information and data for ecommerce.
- Physical spaces that will be digitized and personalized for the user.
- Personalized pricing and offers for shoppers on the fly.
- Machines that understand human emotions and social cues, which will redefine "just in time" communications.
- End-to-end, integrated experiences. A simple example is home automation that doesn't need to be programmed and anticipates or perceives needs.

Personalization reduces acquisition costs as much as 50%, lifts revenues by 5-15%, and increases the efficiency of marketing spend by 10-30%.¹²



About us

In the realm of digital transactions, predictive responses need to be immediate and accurate. [ZineOne](#)'s Intelligent Customer Engagement platform enables business users to understand and respond in-the-moment with relevant 1:1 customer engagements to encourage desired outcomes. Recognized by Gartner as a "Magic Quadrant for Personalization Engines" provider, ZineOne's platform has quickly positioned the company as a leading AI personalization provider that is delivering nearly \$1 billion dollars in new revenue while respecting and preserving margins for companies who seek to provide consumers with superior shopping experiences. The patent-pending platform and its continuous learning models provide deep insights into each and every visitor across digital and physical channels while delivering intelligent customer experiences in key moments that delight customers, foster loyalty, and increase revenue. Learn more at www.zineone.com.

Endnotes

- 1 8 Top Findings in Gartner CMO Spend Survey 2018-19
- 2 10 Personalization Statistics You Need to Know: Why Personalized Marketing is the Way to Go
- 3 The Content Marketing Personalization Imperative
- 4 Forbes - "How To Improve Customer Experiences With Real-Time Analytics" (7.8.18)
- 5 MarTech Advisor - "How Artificial Intelligence Will Transform marketing in 2020" (9.13.19)
- 6 MarTech Advisor - "How Artificial Intelligence Will Transform marketing in 2020" (9.13.19)
- 7 Forbes - "How To Improve Customer Experiences With Real-Time Analytics" (7.8.18)
- 8 Forbes - "How To Improve Customer Experiences With Real-Time Analytics" (7.8.18)
- 9 Forbes - "How To Improve Customer Experiences With Real-Time Analytics" (7.8.18)
- 10 ZineOne, "Your Guide to Intelligent Digital Engagement
- 11 Forbes - "How To Improve Customer Experiences With Real-Time Analytics" (7.8.18)
- 12 Gartner - "Crawl, Walk, Run: Define Your Vision, Strategy and Roadmap for Personalization" (2019)

