

fusion



PERSONALISATION WHO CARES?

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WHAT DO WE MEAN BY PERSONALISATION?

'PERSONALISATION' refers to the way that companies tailor their customer experience based on an individual's characteristics and behaviours rather than taking a blanket approach for everyone. This can be about companies tailoring their products, content, communications or services, and can relate to both their online and offline experiences.

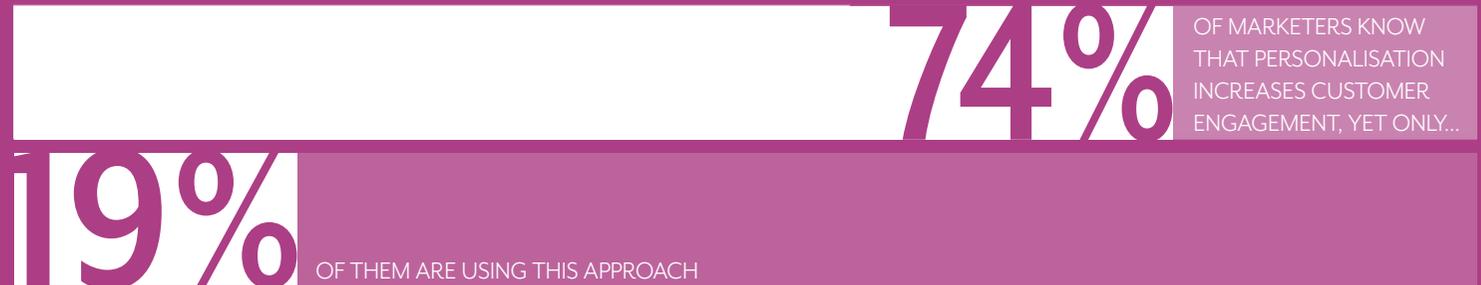
Personalisation could on the one hand be about creating customised packaging for standard products (Nutella, Marmite & Coke have all done this extremely successfully).

It could also be about creating highly targeted communications and customised online experiences based on a customer's previous browsing & purchasing behaviour, needs and interests. It can affect exactly what content you see on a website, what products are recommended for you by a brand, what information you need to provide when buying, what search results are served back to you, what email marketing content you receive and much more.



TO KNOW AND NOT TO ACT

WHY SHOULD WE CARE ABOUT PERSONALISATION?



According to new research commissioned by fusion learning, **39% of customers (rising to 51% of the 18-29 year old age group) spend more money with brands that personalise their products**, services or communications.

This is because good personalised experiences are much more relevant and useful to customers and help to build better relationships. Brands are likely to be rewarded for harnessing personalisation, with better conversion, repeat purchase and advocacy.
(source: Econsultancy)

Personalisation therefore offers a very attractive growth strategy for any organisation. However there are also barriers to doing this well, which makes personalisation both an opportunity and a challenge for Marketers.

It's no surprise then that although 74% of Marketers know that personalisation increases customer engagement, only 19% of Marketers are using this approach.
(source: Econsultancy)

WHY SHOULD WE CARE ABOUT PERSONALISATION?

DO YOU SUFFER WITH FOMO?

In this report we will look at why personalisation is important to brands, the opportunities presented by technology, who is doing this well - and why. We will also share insights from our own research which we conducted to help us better understand the customers perspective on personalisation - the benefits to them but also the frustrations and concerns they have. Finally we will provide our recommended principles for successful personalisation, taking into account both the customer and the Marketing point of view.

There's a huge amount written in the Marketing and business press about how to engage today's customers - and in particular millennials (the 'm' word - a term that typically refers to those born between 1980 and the early 2000's).

Millennials are a generation who are highly connected but time poor. A generation who have a world of opportunity open to them, who have a fear of missing out (FOMO), but who are also overwhelmed by choices. They seek flexibility and purpose in their work, often wanting to do things differently from previous generations. They want freedom for all, they have empathy for others all over the world, they believe in tolerance and - crucially - they seek meaningful relationships with both people and with brands.

**RESEARCH IN THE FIELD OF
NEUROSCIENCE SHOWS THAT
HUMAN BEINGS ARE ACTUALLY
WIRED TO CONNECT WITH AND
CARE ABOUT EACH OTHER**

CAN YOU BUILD MEANINGFUL RELATIONSHIPS?

These digital 'natives' (people born or brought up during the digital age) have a frame of reference for brand experiences and the bar is set very high. It is widely accepted that they look for seamless, personalised, relevant experiences, based on the experiences that iconic, global brands like Amazon, Apple, Airbnb and Nike have been able to create.

But is it really only the millennial generation who seek meaningful relationships and personalised experiences with brands? Don't we all? It feels fantastic (at least to many of us!) when you go into a well-loved pub, restaurant, shop or hotel and people who work there recognise you, remember your name, and know a bit about you. When staff really try to help you, as a customer, find what you're looking for rather than just sell their latest product.

We like it when assistants provide expert advice on big purchases to narrow down a complex array of different options available based on a real understanding of your likes and needs.

Rationally, this tailored, personal approach saves us time and helps us navigate the right or best option for us. More fundamentally than that though, it helps us feel important, valued and cared about. Research in the field of neuroscience shows that human beings are actually wired to connect with and care about each other. Our brains are wired to see the world through another person's eyes - for empathy.

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PATNAIK TELLS STORIES OF LEADERS IN SOME ORGANISATIONS WHO HAVE STARTED AN 'EMPATHY REVOLUTION'

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LEAD AN EMPATHY REVOLUTION

In his excellent book 'Wired to Care - How companies prosper when they create widespread empathy', Dev Patnaik explains how the industrial revolution distanced brand and business owners from their customers.

In years gone by, independent shopkeepers from the 'golden age' of retail were able to provide a highly personal, face to face service for their customers. They had a strong understanding of their customers, and may have known them personally for many years.

With the industrial revolution and with globalisation, large companies now simply cannot know their end customers on a personal level as companies once did. Indeed their Marketers may be located thousands of miles away from their customer groups.

In the book, Patnaik tells stories of leaders in some organisations who have started an 'empathy revolution' and transformed their fortunes by truly connecting with their customers. Empathy has helped them to thrive even when their competitors don't.

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**IN THE 21ST CENTURY
MARKETERS NEED
TO HAVE A REAL
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AND MOTIVATIONS, AS
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TIMELESS CARING

This fundamental human need to feel important and be 'cared about' is unlikely to change any time soon. In the 21st century Marketers need to have a real curiosity about customers' needs and motivations, as the best Marketers have always done.

We then need ways of connecting with our customers, and ways to tailor products, services, content and communications just for them. Technology can help us with this. Brands can harness digital to listen to and connect with their customers, creating seamless, personalised experiences, even from across the other side of the world.

However to make this work, organisations not only need to work very collaboratively across functions, but they also need to put the right processes and technologies in place to collect, analyse and retain relevant data about their customers' needs, preferences and purchase history.

THE NUTS & BOLTS - AKA COOKIES & A.I

THE WORKINGS OF ONLINE PERSONALISATION

Online personalisation is powered by technology, including data, cookies and increasingly, artificial intelligence.

Cookies are small text files which are stored on a user's computer, tablet or smartphone. They usually hold a site name and unique user ID but they can also record other information about your behaviour online (such as what you buy online or what content you look at online).

When a user visits a website for the first time, and if they give their permission, a cookie is downloaded onto their computer. This helps the website 'remember' that this particular user has been there before and tailors the content accordingly.

Cookies help advertisers understand about the user's previous browsing history so they can serve ads targeted at a user's interests. Cookies also power 'remarketing' which is where advertisers can serve an ad on Facebook or a 3rd party website to a user who they know has previously visited their website but perhaps not been converted to buy on that occasion.



KEEP YOUR 'CREEP'-OMETER LOW



Sometimes it can feel like you're being followed around the internet by brands you have been browsing online - that's marketing powered by cookies. Retargeting is effective because it targets users who have previously shown an interest, reminding them of specific products they have considered buying. However some people describe this approach as 'creepy' or 'ugly'.

There are obviously regulations around the use of cookies - in particular it is essential to make people aware that the cookies are there, and also get the user's consent to store cookies on their device the first time they are used. Giving users transparency and control is very important - but how often do we all click 'I accept' to close that cookies pop up on a website we haven't been to before, without truly understanding the implications?

In our research, over half of consumers do just that - passively allowing companies to collect their data rather than actively opting in or out.



COLLABORATION IS KEY

KEY CHALLENGES TO GETTING PERSONALISATION RIGHT

Getting personalisation right presents some key challenges for Marketers and other senior leaders. Here we will dive into some of the biggest hurdles.

Creating a consistent personalised experience for large numbers of customers across multiple online and offline channels, will require world class collaboration, new ways of working and technology that integrates with existing systems.

Organisations that are successful in this area are often working with multiple internal & external partners and harnessing sophisticated technology platforms which are able to connect multiple data sources.

Marketing, IT and often also Sales will need to work very closely, rather in siloes, towards a common vision if they are to achieve the holy grail of increased conversion, repeat purchase and advocacy.

IT'S A BALANCING ACT



THINK PERSONALISATION
CAN BE INTRUSIVE

Striking the right balance, and creating a useful, personalised experience rather than an intrusive one is a huge insight challenge and also a transparency challenge for organisations. 91% of customers told us they think that personalisation can be somewhat intrusive or incredibly intrusive.

When prompted, customers certainly have significant concerns and preferences regarding how much data they share and which brands they are prepared to share with. There are some pieces of data that many customers say they are not comfortable with organisations collecting - such as their purchase history from other websites, their social media data, or browsing history.



VARY AMOUNT OF
INFORMATION SHARED
BY PERCEIVED VALUE

68% of people also told us that the amount of information they are prepared to share varies by brand, type of product or service, depending on where they can see the potential value. So what does a good personalised experience look like from a customer perspective?

65% of people in our research told us that 'relevance of the information to them' is at the heart of a good personalised experience. This includes special offers they might be interested in, special offers on their birthday, or communications received at an appropriate time of day.



BELIEVE RELEVANCE OF THEIR
INFORMATION INFLUENCES
QUALITY OF EXPERIENCE

WHO TO LOOK UP TO

There are numerous examples across many industries of organisations creating personalised experiences for customers.

If you'd like us to add you to the 'who to look up to' board of glory, let us know your story.



NUTRITION AND HEALTHCARE



RETAIL



TECHNOLOGY



FINANCIALS

NUTRITION AND HEALTHCARE

Personalised nutrition and healthcare is a growing phenomenon, underpinned by **the power of personalised information to make the customer or patient an 'expert' in their own health and self.** Technology is supporting this in many ways, with mainstream brands such as Fitbit, Apple and others launching wearable devices that collect data seamlessly and provide customers with tailored insights, services as well as the motivation to make big changes.

Recently **Campbell Soup** announced their investment in a nutrition focused startup called **Habit**. Habit designs a 'nutrition blueprint' for individuals based on their body metrics and goals, blood tests and DNA samples from a cheek swab - all collected via an at-home kit.

Once the scientists at Habit have analysed this data, they create a unique, personalised meal plan for each individual, including the ideal ratio of carbs, fat and protein for that person. They will even develop meals based on these results and deliver them to your doorstep. This science-based approach to personalised nutrition, once available only to a very select few, is being democratised.





RETAIL

Retailers are arguably at the forefront of harnessing technology to create personalised and seamless shopping experiences both online and offline. Whilst there's no doubt that data is required to make this happen, according to online marketing authority and pioneer Bryan Eisenberg we need to start with empathy "Empathy demands that you think about how the customer goes about the process of buying and that you find ways to make it easier. Empathy begs you to help them make a more confident decision, remove their fears, and ultimately to allow them to make the decision that is best for them, not just for you. It doesn't matter if you sell books, cars, diamonds, or a complex B2B enterprise solution..."

One British online retailer we believe has successfully harnessed both data and empathy to make it easier for shoppers to buy is [very.co.uk](https://www.very.co.uk).

Its data scientists use Artificial Intelligence (AI) to ensure that customers see personalised content - featuring their favourite brands, whether fashion or furniture, whenever they visit the website homepage. This means [there are 1.2 million possible versions of the very.co.uk homepage](https://www.very.co.uk) with products, promotions and search results all tailored via an algorithm to the individual customer based on their preferences and previous buying behaviour. The retailer is helping their customers navigate the myriad of options available, saving them time and therefore also improving the likelihood of a purchase. (Source: Retail Week)



Retailers are also using AI to adjust their pricing in real time. This can help them respond to real-world events and customer demand (e.g. when the temperature rises to a certain level this triggers Walmart to create a price promotion for salads).

AI can even help retailers to create personalised prices and offers for an individual customer depending on their online behaviour and the likelihood they would need a discount in order to seal the deal. This is a very clever way of maximizing promotional investment. (Source: Forbes)

TECHNOLOGY

A different type of personalisation again is the ability to respond to an individual's needs, questions and requests instantaneously. AI is transforming organisations' ability to provide customers with the best possible solutions to meet their unique needs, in real-time. Amazon's assistant Alexa uses voice-activated artificial intelligence to respond to individual queries and can carry out a wide range of tasks. Of course there are many other virtual personal assistants to choose from including Google's Home, Apple's Siri and Microsoft's Cortana.

Every single day the Google ecosystem uses artificial intelligence to create the best possible customer experience. Google interprets customers' search queries and serve back to them the most relevant content possible, with AI helping focus on the meaning behind the search rather than the exact words used.

Google also provide a better overall experience within their photos application by using visual recognition to identify what is in each photo and therefore allowing you to search for specific photos more easily. For example - you want to find the photos you took of that snowy day back in the winter? Search on 'snow' within the Google photos app and let Google help you find them. It's also AI that allows Google to intelligently review your calendar, email and maps applications and proactively let you know how long it might take you to drive to your next appointment.

Many of us will have experienced the benefit of Netflix or Amazon using AI to recommend shows, films, books and other products we might like. The more we log in and use these platforms, the better and more accurate the recommendations become.



FINANCIAL SERVICES

Organisations are increasingly using chatbots - a type of artificial intelligence - to improve customer experiences. Chatbots are 'smart' machines that recognise and mimic human language, so customers can have conversations with them online via their desktop or mobile. Many brands are starting to use chatbots to replace human guidance. There are many reasons for this, but just one of them is the ability of chatbots to 'search' through a huge volume of data points and options to provide the customer exactly what they need in a fraction of the time that a human could.

Lemonade are a fully regulated financial services company, offering renters' and home owners' insurance. Backed by Lloyds of London, they describe themselves as "refreshingly different" - and they certainly seem to be disrupting the traditional insurance industry on many dimensions.

One of their strategies is to use technology (including their chatbot Maya) to simplify and expedite the application process to a matter of seconds and the claim approval process to a matter of minutes - creating a "delightful" experience for their customers. This [video](#) brings to life how Lemonade works and how their chat bot creates a personalised and superior experience.

THE KEY TO SUCCESSFUL PERSONALISATION

Marketing in a digital age, with all its myriad of possibilities, often requires us to re-focus on the fundamental principles of good marketing. Based on our latest research, analysis and experience therefore, here are some prompt questions to help you successfully approach the topic of personalisation.





INSIGHT & EMPATHY

We should always start by getting closer to our customers and understanding the journey they take with our brand. Do you understand your customers' attitudes, needs, beliefs, what they value and how you can make their lives and decisions easier and simpler? Do you understand their frustrations around their current journey with your brand and are you aware of the opportunities to make it easier for them to find and buy what they need? Once you understand this, you can work to provide useful and relevant information, content, products and services via the right channel at the right time.

You can also test responses to different products or different versions of the same content, and focus your spend where the customer responses are best. Data and technology will help you to personalise and optimise the customer's experience - but it should always be grounded in insight and empathy.



ALIGNMENT & COLLABORATION

Without senior management alignment and effective collaboration, personalisation will be extremely difficult to achieve.

Is there a common understanding within your organisation of what personalisation means and how it can help you achieve your overall business objectives? Is there a vision and roadmap for personalisation across key functions in your organisation, such as Marketing, IT and Sales, that supports the business objectives? Do you work in close partnership with these functions to the same agenda? Have you collectively agreed which technology partner (e.g. Salesforce, Adobe or IBM) is the right one for your organisation? Do you have a Legal partner who can help guide your cross functional team to navigate this topic?

Are your ways of working and processes (internally and externally) set up to enable you to develop, adapt and serve many different versions of tailored content to different groups of people at the right time on the right channel?

TRANSPARENCY & TRUST

Transparency and trust is key to getting the balance right on this topic. Have you created very clear and simple customer-facing communications about what data you are collecting, why you are collecting it, as well as what you plan to do with it? Do you make it easy for customers to see what data you hold about them, and simple for them to manage their preferences or opt out of providing data if they want to?

HOW CAN WE HELP YOU?

At fusion learning, we help the world's leading brands solve their biggest challenges in insight, radical innovation, brand positioning and brand competency development. We work around the globe in more than 70 categories from beer to banks and pharmaceuticals to food.

Whether you need support;

- Getting closer to your customers so you can understand their individual needs better
- Diving into the customer journey and identifying opportunities to optimise and personalise the customer experience
- Developing a vision and roadmap for Personalisation and aligning senior teams with how it can help achieve your business objectives...

... we can help

WE'D LOVE TO TALK TO YOU!

Join our conversation about Personalisation on [Twitter @fusionlearning](#) or on [LinkedIn](#)

If you'd like us to add you to the 'who to look up to' board of glory, we'd love to hear your story - drop us an email to nina@fusionlearning.com

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