

EBOOK

# The Personalization Maturity Curve





# Introduction

Personalization is nothing new, but increasing customer expectations and new technologies have installed 1:1 omnichannel personalization as marketing's holy grail. Recent Forbes research suggests 54 per cent of personalization "leaders" beat their revenue targets last year - only 15 per cent of those lagging behind could point to the same numbers. The simple commandment of our era is now this: find relevance, or risk extinction.

The trouble is, making meaningful progress on personalization isn't simple. It takes significant investments of both time, money and new ways of thinking about, and organizing, your business. There's no quick fix.

It's no coincidence that over the last few years we've repeatedly talked to businesses who have been unable to make big strides forward. The story we've heard in boardrooms, event corridors and on social media has become all too familiar: businesses are caught up in – and often paralyzed by – the complexity and scale of the transformation they need to make to personalize their customers experiences.

As a leading personalization platform provider, we wanted to help. Putting decades of collective experience together with a rigorous analysis of personalization's state of play in a wide range of sectors, we came up with a tool to help businesses like yours manage all this complexity. It's called the Personalization Maturity Curve.

The curve is a simple but powerful model that allows you to work out where you are on your personalization journey, plot where you want to get to, and understand the steps you need to take to get there. We've used it to help some of the biggest brands on the planet make the right investments and negotiate an efficient, manageable path to better customer experiences.

This guide introduces you to the curve and sets you on a path that's right for you with simple, manageable steps. We're sure you'll find it valuable.

## This guide will help you

- Work out where you are on the Personalization Maturity Curve
- Identify steps to take to improve your personalization
- Understand how your personalization measures up – are you an Experimenter, Challenger, or Leader



# Back to basics: The four dimensions of personalization

## Personalization

We know you get it, but the first step to mastering it is going back to basics by breaking personalized interactions down into their constituent parts.

Personalization at its best and most effective combines four “dimensions.” We call them the who, what, where, and when. That might sound simple, but these dimensions sit at the heart of how you develop your personalization capabilities. It’s only when you’ve brought all of them into your customer interactions that you’ll be able to maximize the returns.

Adding each into your personalization ecosystem takes progressively more sophisticated technology, operational processes and the right blend of what we call the personalization enablers:

- Customer data
- Business drivers
- Real-time data
- Decisioning
- AI

### Want more on decisioning?

Decisioning holds the key to personalization, but is a complex technique that blends art and science, technology and human ingenuity. To find out how to master it, check out our comprehensive [guide here](#).





## Introducing the Personalization Maturity Curve

### **Building each of the dimensions into your customer interactions can't happen overnight.**

It's easy to look at the sheer scale of what you're trying to achieve and not know where to start. That's why we're big believers in taking small, planned, bitesize steps towards the end goal. That's why we created the Personalization Maturity Curve.

The curve charts a path from taking your first experimental steps (bottom left) to achieving personalization leadership (top right) and seeing the most significant commercial returns. We've used it to help our biggest customers develop long term personalization planning and achieve industry leadership.

#### **You can use it to:**

- Provide a clear view of what steps to take - whether you're at the beginning of your journey or a personalization veteran
- Understand how to balance the most critical technology, operational strategy, teams and people at each stage
- Aim for a personalization "north star" without being weighed down by the scale of the transformation ahead

To scale the curve you'll progressively add personalization dimensions into the mix, make better use of all the enablers and increase the channels in which joined up interactions are delivered to customers. But how do you do all that? The next section of this guide takes each stage of the curve in turn and explains the changes you need to make to move from being an Experimenter to a Challenger all the way to a Personalization Leader.



### Talk to us

The Personalization Maturity Curve sits at the heart of how we advise customers. If you're interested in talking to us about your objectives and how we can help you deliver smarter interactions, improve customer loyalty and increase revenue, [please get in touch here](#).



# Scaling the curve step-by-step

- Am I a personalization Experimenter, Challenger or Leader?
- What's missing from my stack?
- What investments do I need to make to improve?
- How does my business need to change operationally?

## The Experimenters

### Who are they?

Most organizations today exist on the far left of the curve. We call them Experimenters. They've dipped their toes into personalization – perhaps with targeted emails or simple homepage optimization. Powered by strong data warehouse capabilities and select customer engagement tools, they're able to tailor interactions based on first party data focused on real people – not just loose segmentation.

### A personalization plateau

But while they've made some progress, Experimenters have only gone so far. They've only embraced the 'who'. Siloed data - and siloed internal structures that see channel teams work independently of each other - leaves personalization locked in a limited range of channels. Messages can't be joined-up from one channel to another.

Why? Experimenters are held back by their technology. Typically their customer engagement tools are informed by databases that don't have the ability to accurately identify and deduplicate customers against existing records. Data is slow – updates to records take a long time to take effect.

Changes to campaigns are managed manually (cue a mass of spreadsheets) and it's next to impossible to unleash any kind of advanced, multi-channel personalization strategy. Welcome to the personalization plateau.

### Disjointed experiences

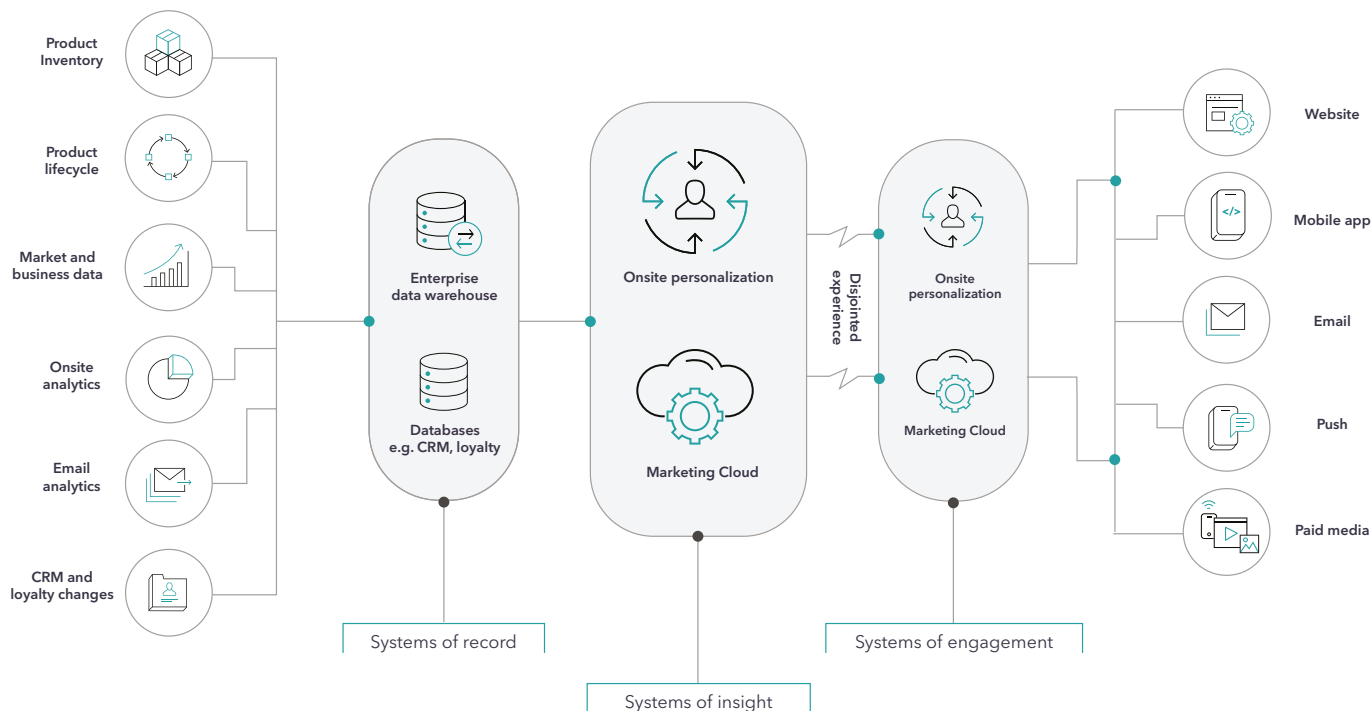
Because Experimenters can't rely on the precision of their customer data, they fall back on large and imprecise segments. Communications as a whole aren't responsive or current, so stay in "broadcast" mode: customers might see some basic personalized recommendations on email or online, but they'll feel generic and unvaried.

Finally, because the business is siloed, channels can't talk to each other and the customer database can't be updated live, a customer could see an experience in one channel replicated – or even contradicted – on another channel.

### What's stopping experimenters from progressing

- The lack of real-time data
- The ability to join-up interactions across channels
- The lack of a Customer Data Platform (CDP)

### Experimenters architecture



Experimenters have strong enterprise data warehouses (systems of record) and customer engagement tools (systems of engagement), but the lack of a CDP at the heart of the stack means data is slow and their architecture is disconnected.

### The role of AI

AI is a critical component of personalization: without it, scale is impossible. Experimenters, Challengers and Leaders all make use of it – the differences come in the extent to which it is connected to data and other models within an organisation's martech infrastructure. Without a CDP, Experimenters' AI is limited to automating segmentation and delivering elementary product recommenders channel-by-channel.



## The Challengers

### Who are they?

Challengers have set a more ambitious personalization strategy and made significant investments in more advanced technology to meet it.

Beyond the first dimension of personalization, Challengers have typically embraced the second dimension of real-time data, allowing them to develop advanced customer segments and get close to offering personalized 1:1, right-time, right-place interactions.

### Technology – the difference

One critical piece of technology sets Challengers apart from Experimenters: a CDP. They've brought one in to improve customer identification, add greater and more responsive contextual depth to records and help them start to join-up interactions across channels.

Capabilities are much enhanced. Because they have a better, deeper and more immediate view of their customers' cross-channel behavior and needs, they can generate powerful models and very tight segments. This insight can be put to work across a greater number of channels and digital and commercial results are improved.

But Challengers typically still have multiple personalization owners sitting in multiple teams – coordinating strategy across them is very difficult. And, because they haven't yet brought in a decisioning engine, they find it difficult to move their marketing beyond the feel of very effective segmentation. They get close, but genuine 1:1 interactions are beyond reach.

### Slicker interactions

Customers experience better quality personalized interactions across a wider range of channels. Interactions are more responsive and glaring contradictions across channels are eliminated.

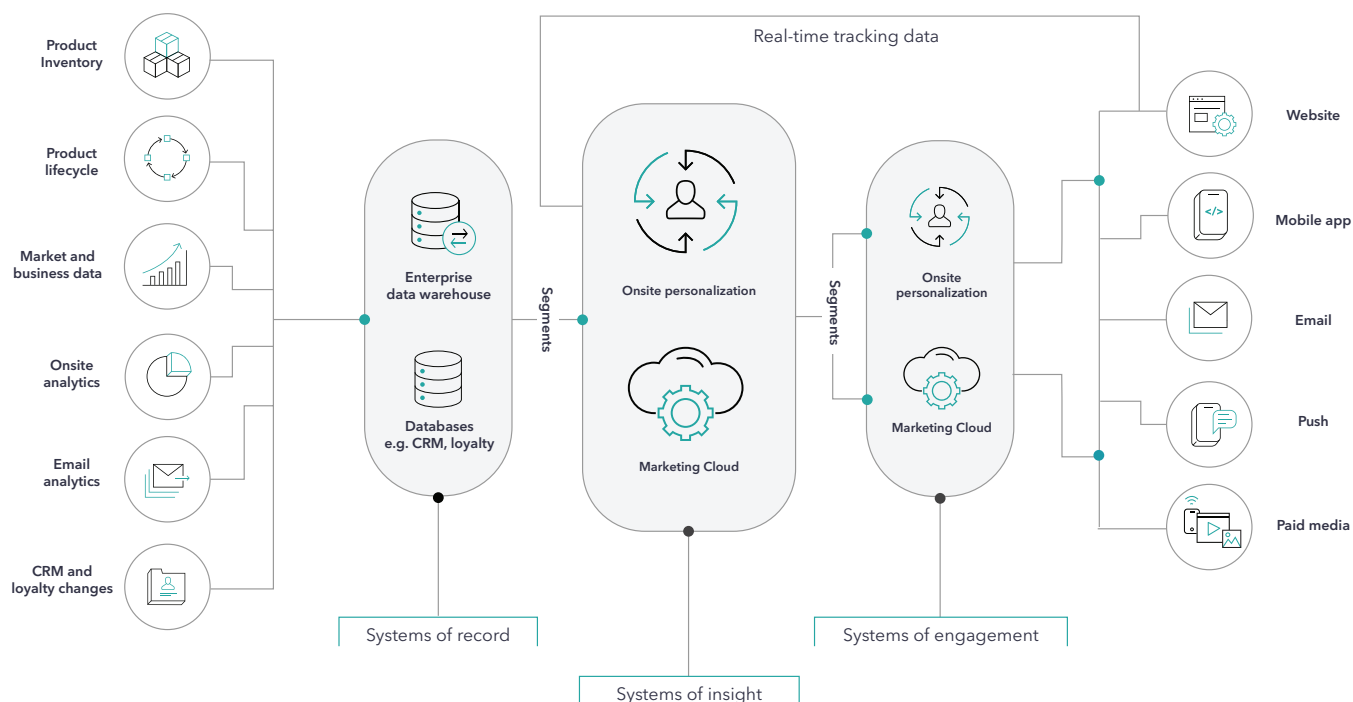
But the lack of a decisioning engine means messages still feel generic segment to segment – customers don't receive fully individualized offers or recommendations. And because Challengers haven't joined-up personalization strategy across their business, they find it difficult to make sure the right kind of interaction – for example marketing, sales, or service – finds the right customer in the right channel at the right time.

### What do Challengers need to progress?

- A decisioning engine (or personalization engine)
- Progressive, collaborative organisational structures or governance
- Business drivers and context as a factor in customer interactions
- Truly 1:1 interactions
- Entirely seamless omnichannel engagement



## Challengers architecture



Challengers add a Customer Data Platform (CDP) – an important System of Insight – to get greater control of multi-channel customer data.

## Challengers and AI

With a CDP at the heart of the stack, Challengers' AI can benefit from a constant flow of data to and from Systems of Record and Engagement. It can therefore deliver far greater impact by learning behaviors, performing regressions and delivering predictive recommendations at scale.

## The Leaders

### Who are they?

They're members of a very exclusive group. Leaders have embraced personalization as both an art and a science, pairing an advanced martech stack with progressive internal structures and processes. Siloes eliminated, their stack is AI enhanced and they're able to deliver joined-up, timely 1:1 interactions.

Critically however, they've embraced a personalization enabler: business drivers. For them, that means personalization is a more holistic approach. It focuses not just on delivering customer-led interactions, but business-led ones too.

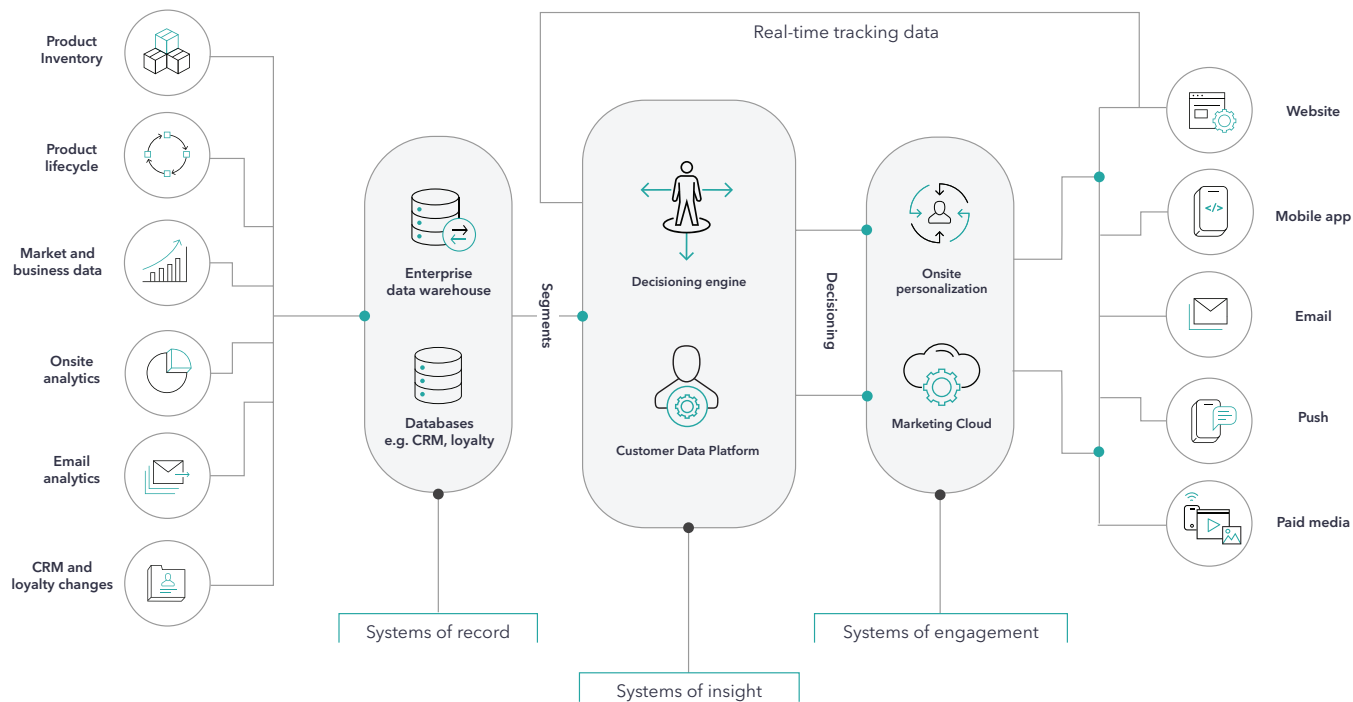
By bringing business data, operational data and their strategic objectives into every interaction – for example through personalized pricing, dynamic bundling, or customer service apps – they can keep their business focused on its objectives and deliver entirely new streams of revenue.

### Progressive thinkers

Leadership comes with the addition of a real-time decisioning engine. It frees them to deliver dynamic, fluid and responsive 1:1 offers in real time. These interactions flex, bend, and jump seamlessly from channel to channel, offering marketing, sales or service messaging at the right time and place.

Critically, Leaders augment their advanced stack with a more progressive, collaborative structure that brings people across the business together around the technology. Backed by the framework provided by good governance, teams are aligned under one strategy. It's in this environment that a business can get far more ambitious and personalization can really take off.

### Leaders architecture



Leaders add a real-time decisioning engine to deliver right-time, right-place 1:1 interactions across every channel.

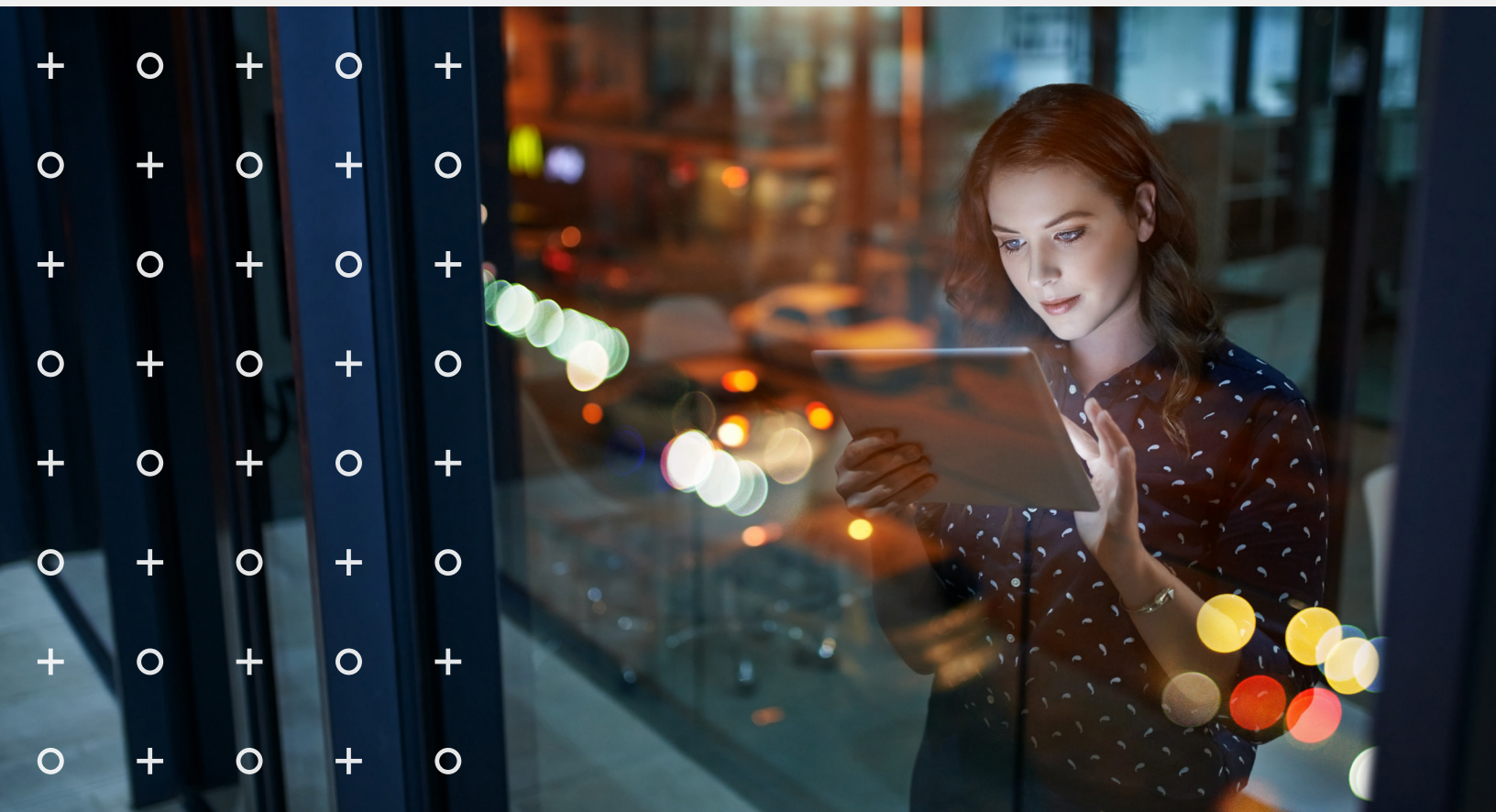
### Balancing business and customer benefit

It's only Leaders who are positioned to deliver the personalization holy grail: truly 1:1 omnichannel interactions that balance both the needs of the customer and the business.

It's also only Leaders that can expect to see the most significant commercial results. In our experience, they experience multi-channel sales and marketing performance improvements that deliver as much as 10 percent uplift across the board, meaning customer experience improvements can increase NPS by 50 percent.

### Leaders and AI

Leaders benefit from "connected AI." Whether they've built their own models or are using a vendor, each can query another to constantly optimize personalization performance and outcomes.







# Mastering personalization: What's next for you?

## The Personalization Maturity Curve is an invaluable tool

Whatever your starting point, budget, or ambition, it can help you plot a course through what is a complex, costly and often long-term transformation. As you start building out a long-term plan to scale the curve, improve personalization, and target significant commercial benefits, give some thought to these four actions:

**Define** your customer strategy. Starting with customer journey mapping, segmentation strategy, and personalization goals, our first port of call is to help our customers work out their personalization roadmap. Where are you on the curve? Where do you want to get?

**Determine** the right technology for the journey. Cloud-based tools that are platform agnostic - that is, don't lock you into a stack – will make sure you're future-proofed and can maintain best of breed. No one can predict the twists and turns and developments that lie ahead.

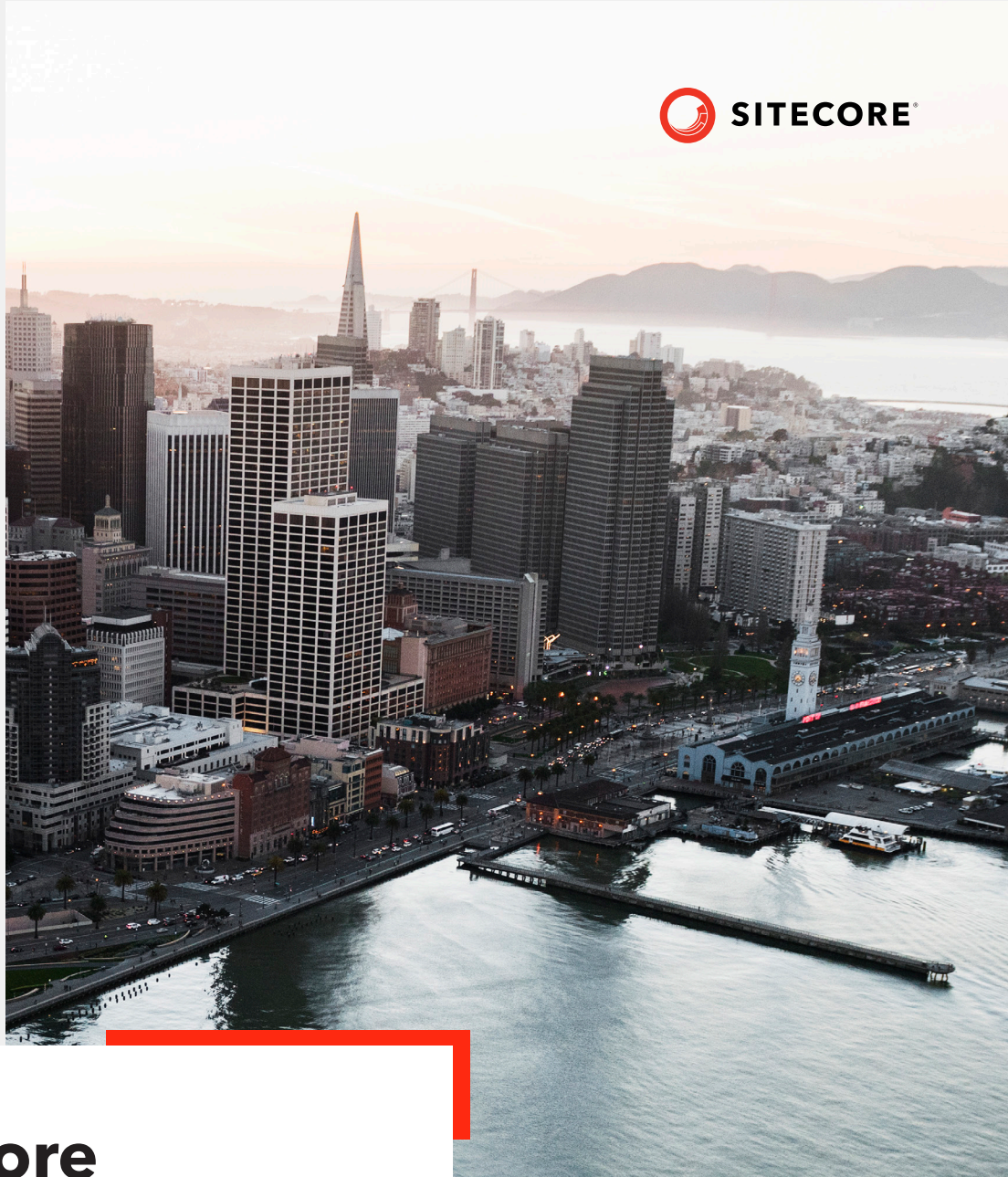
**Adopt** a crawl, walk, run methodology. Scaling the curve isn't a one year objective: you'll need to win over stakeholders early on and prepare the business for steady improvement. Encourage a culture that embraces experimentation and an agile mindset.

**Progress** towards an operational structure that supports the delivery of your personalization strategy. A more progressive operation – or at least smart governance decisions – will encourage collaborative and complementary thinking across teams that will help your business reach one strategic objective. However advanced, technology alone can't do this.

## A Personalization

### Maturity Curve workshop

Whether you're a personalization Experimenter, Challenger or Leader, we'd love to help you. We've helped some of the world's biggest brands define personalization strategy, put our platform to work and plot a course to improved customer relationships and business results. To find out more about an introductory Personalization Maturity Curve workshop, contact us [here](#).



# About Sitecore

Sitecore delivers a digital experience platform that empowers the world's smartest brands to build lifelong relationships with their customers. A highly decorated industry leader, Sitecore is the only company bringing together content, commerce, and data into one connected platform that delivers millions of digital experiences every day. Leading companies including American Express, ASOS, Kimberly-Clark, L'Oréal, and Volvo Cars rely on Sitecore to provide more engaging, personalized experiences for their customers.

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