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3 Things Marketers Need to Know About Succeeding with Personalization



Findings from a 2015 sentiment survey of 1,200 consumers



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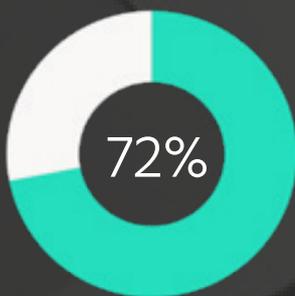
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EXECUTIVE SUMMARY



Marketers have a bevy of options when it comes to reaching consumers online, but they aren't all born equal. Companies who are effective at leveraging mass channels in a personal and genuine way, and consistently deliver good customer experiences, are building communities of raving fans, quickly and cheaply.

To help navigate the treasures that personalization can yield, this study draws from an extensive survey involving 1,200 U.S.-based consumers, and offers valuable insights into consumer preferences when it comes to when, where, and how marketers are reaching out.



72% of consumers are frustrated when they receive generic marketing that doesn't relate to their interests or past purchases.

Top 3 things consumers want:



Timely

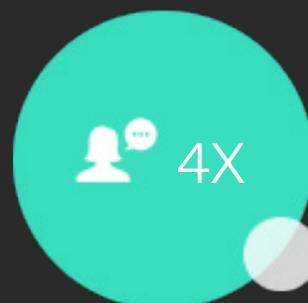
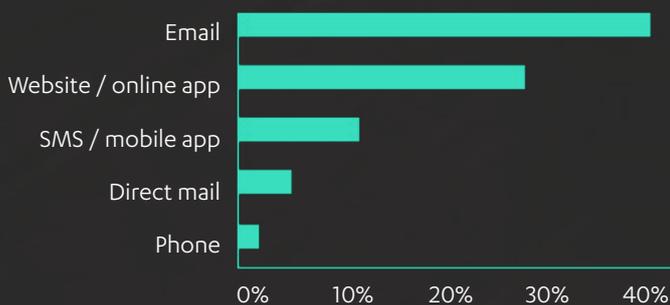


Expert



Personalized

Channels consumers are most likely to respond to:



Consumers are 4X more likely to respond if the content is personalized, and 70% would be more likely to respond to an email with a visual of the sender.

Key Findings

1 According to our findings, consumers expect timely, knowledgeable and personal content -- when it comes down to it, everyone just wants to be talked to like they're a real person. **72 percent of those surveyed said they are frustrated when they receive generic marketing that doesn't relate to their interests or past purchases.** Nearly two-thirds (65%) said that getting fast responses is the most important aspect of modern day marketing, followed by expert knowledge (61%), then offers personalized to their needs (49%). So what happens when marketers get this right?

2 Consumers are **four times as likely to respond if content is personalized.** This includes dynamic as well as visual content: they are more than twice as likely to respond to an email that includes a photo of the sender. No one wants to talk to an anonymous spambot. Conversely, only 20 percent were "turned off" by a company who uses browsing/purchasing history in its marketing. So we know consumers want to get personal, but how and where are you supposed to reach them?

3 When it comes to their interactions with marketers, consumers want to hold the reins. According to our survey, a top priority for consumers is having **control and context in how and when they engage.** Our findings show that they are 18 to 25 times more likely to respond to a company's proactive support outreach or offers when made by email or in-app / onsite, than via a phone call. Mobile is still the preferred email platform for all audiences, including millennials, although consumers are less inclined to do heavy lifting tasks (like paying bills) via mobile.

” Marketers are now responsible for a 360-degree customer experience.

The bottom line. Marketers are now responsible for a 360-degree customer experience to build deeper, more meaningful relationships. And to be successful doing so at scale, the modern marketer must become adept at using personalization.

The Rise of Personal Marketing

Marketing is about **building better relationships with customers while raising awareness** for your brand or service. Prior to the rise of mass distribution and advertising, marketing was largely based on word of mouth and one-on-one relationships, nurtured at a local scale. Butchers, tailors, and barbers went out of their way to treat local customers well, who in turn recommended their services to friends and colleagues.



The 1920s and 1930s ushered in new ways for vendors to reach audiences with mass production and advertising. TV and radio advertising and mass distribution by land, sea, and air provided tantalizing new opportunities for companies to reach millions of eyeballs across industries and continents, even if it meant doing so by broadcasting in impersonal bursts and taglines.

Yet results were evident - the 20th century witnessed historical growth in the goods and services economies in the U.S. and globally. It also led to an explosion of businesses and brands. As marketing and the commercial

landscape grew increasingly noisy, it was lacked the distinctive traits that underpin human relationships - body language, context, timeliness, and 1 on 1-ness. Consumers expectations were changing.

By the time that social media - Google, Facebook, Twitter, Yelp, Zagat, LinkedIn - rose to prominence in the 2000s, consumers were primed for new ways to share and express their opinions. **Today's online consumer is better educated and more empowered than ever before.**

Anyone can post and share unfiltered opinions in real time, or create social campaigns, or raise funding to support niche causes. Amplified through their personal and professional networks, these reach a wider audience in highly relatable and impactful manners.

Think about your own experiences: have you opted against buying something on Amazon because of bad reviews? On the flip side, are you more likely to respond to an offer that is clearly tailored to your needs, taking into account your prior experiences with the vendor?

 5/17/2014

AWFUL!!! I came here because of the good ratings and I just can't understand how it possibly has 4 stars. I prepaid for a reservation and they gave my car away!!! They said I have to wait in the lobby for about 2 hours until someone returns a car for me. My entire day - which depended on a car - is ruined. Do not come here if you expect to get what you pay for.

Was this review ...?

 Useful 4

 Funny

 Cool

” Today’s online consumer is better educated and more empowered than ever before.

So what does this mean for the marketer?

The increasingly fragmented world of digital media complicates marketers’ ability to connect and at the same time presents incredible opportunities to forge new territory. Companies who are effective at leveraging mass channels in a personal and genuine way, and consistently deliver good customer experiences, can build communities of raving fans cheaply and easily. Or they can get burned by detractors who won’t hesitate for a second to take bad experiences online.

In short, marketers are now responsible for a 360-degree customer experience - they must build deeper, more meaningful and lasting relationships

with the people they want buying their products and services. And to be successful doing so at scale, the modern marketer must become adept at using personalization. This involves using technology to tailor messages or experiences to the individuals they engage, in the right place, at the right time, automatically.

To help navigate the treasure troves and land mines that online personalization offers to the modern marketer, this study draws from an extensive survey involving 1,200 U.S.-based consumers. Respondents spend at least one hour per day online and were evenly distributed across age brackets, location, and income levels (see appendix for more details on the survey methodology).

These findings have significant implications for how marketers and brands should use personalization to engage their customer to drive better performance while forging stronger relationships.

3

Consumer Expectations are Changing

In this study, we find that today’s consumers **expect** marketing to be relevant and personal. 72 percent of consumers are frustrated when they receive generic marketing that doesn’t relate to their interests or past purchases.

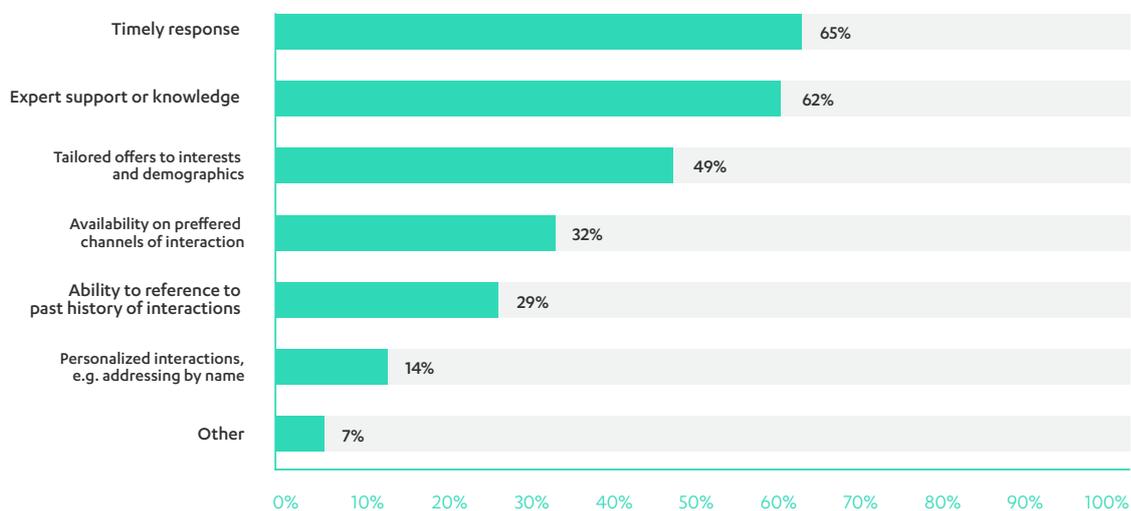
More specifically, consumers have developed high expectations for marketing to be **timely**, **knowledgeable**, and **personal**, as indicated when asked to select the top three factors that matter when engaging a brand or product.

Survey respondents were particularly vocal about the **timeliness** of marketing they receive. Nearly two-thirds (65%) identified companies responding in a timely manner as the most important aspect of modern day marketing. Marketers take note — the right time for today’s consumer is right now.

Consumers also expect brands to demonstrate **expert knowledge** or support (62%). Set against a backdrop of easy, searchable access to limitless information online, brands must deliver value through content based on unique insights and core competencies.

Third, consumers want marketing that is **personalized** to their interests and demographics (49%). In the past, marketers would craft a generic message and broadcast it to as many people as possible. But this strategy doesn’t match the needs of modern day consumers, who indicate a preference to be reached out to on a website after email, suggesting the importance of timely and contextual marketing.

What’s most important to consumers when engaging companies online?

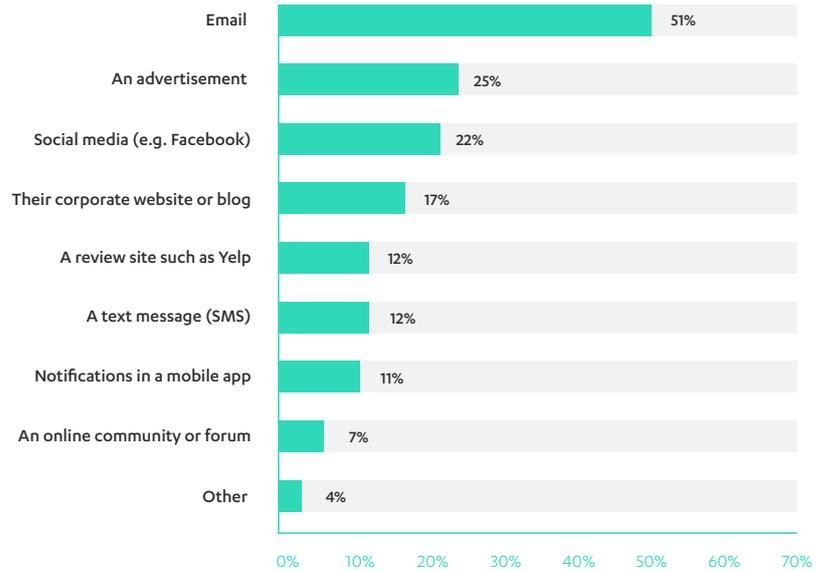


Email remains the preferred channel

Despite the above-noted preferences for timely, expert and personalized content, email remains far and away the preferred channel for engagement. 51 percent of respondents picked email as one of their top three most likely channels to respond to, with advertising a distant second (25%), followed by social media (22%) and on a website (17%).

But how can this be - isn't email the poster-child of untargeted, intrusive, and bland marketing?

Consumers are most likely to respond to a company's marketing when they engage via:

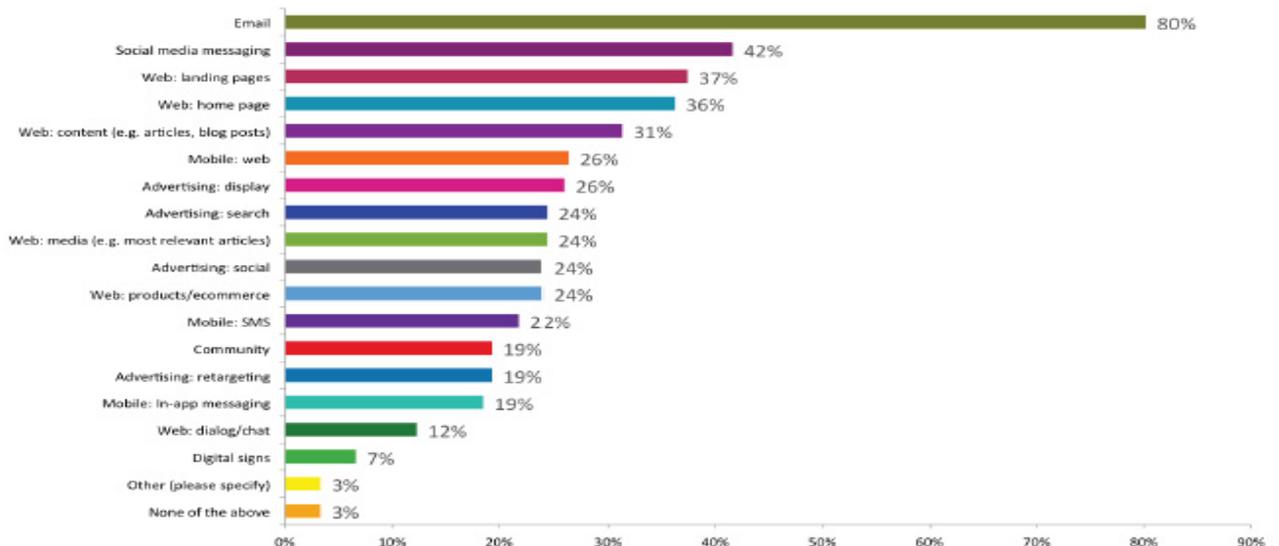


” Email remains far and away the preferred channel for engagement.

Perhaps it's that email has come a long way. Email marketers now emphasize design, A/B testing, and yes, personalization, including the use of dynamic fields and images. In fact, a 2015 VentureBeat (VB) Insights report, [Marketing Personalization: Maximizing Relevance and Revenue](#), found that 80 percent of surveyed marketers

already personalize their emails, which is almost double the incidence of any other channel. Social media ranked second at 42 percent. Plus, it is much easier now for consumers to browse, flick, and delete emails on the fly using their mobile devices.

Digital channels in which personalized messages/experiences are delivered



VB further noted that personalization is most effective when used in email, and those results are more established. Only 28 percent of marketers said it was “too early to tell” if email personalization is effective, vs. 40 percent for whitepaper downloads or 42 percent for app installs.

Amongst the tech-savvy Millennials, email still remains the preferred channel for communication (49%), but they don't like to be advertised to. Social media came second, followed by “none,” then advertising, then “in-app.”

Takeaways

In this section, we find that consumers want marketing that is timely, expert, and personalized. Email remains the top channel for engaging consumers, followed by online advertising and on-site, except for Millennials, who prefer to engage on social media. The widespread use of personalization in email likely accounts for its high effectiveness.

In the following chapter, we will dive deeper into the growing importance of personalization.



Consumers want marketing that is **timely, expert** and **personalized**.

Personalization is Key

Marketers are feeling the rumblings that [“personalization is the single most important capability for future marketing efforts.”](#) Recent data from [VB Insights](#) and [personalization case studies](#) are showing how individually-tailored messages at the right time, in the right place, drives big results and helps marketers build direct relationships with customers at scale.

VentureBeat Insights recently noted that while personalization is still in its infancy, the future looks promising. Between 70 percent and 94 percent of marketers reported seeing an increase in the effectiveness of various key metrics by employing personalization, including:

- Microsoft dropped bounce rates by 35 percent and increased add-to-cart rate by 10 percent
- O’Neill increased conversions by 46 percent with web personalization
- Alex and Annie has seen a 73 percent lift in monthly email revenue
- Gamestop saw a 41 percent increase in average order value (AOV)

Between 70% and 94% of marketers see an increase in the effectiveness of various key metrics by employing personalization.

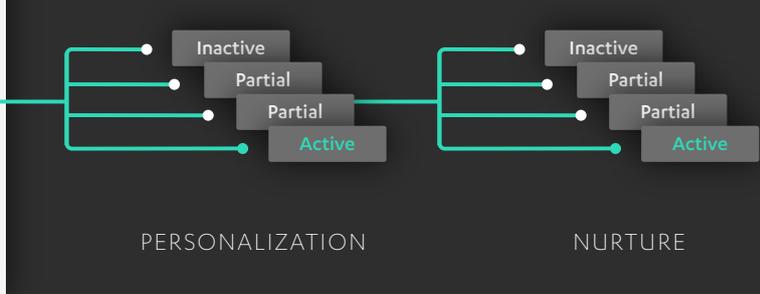
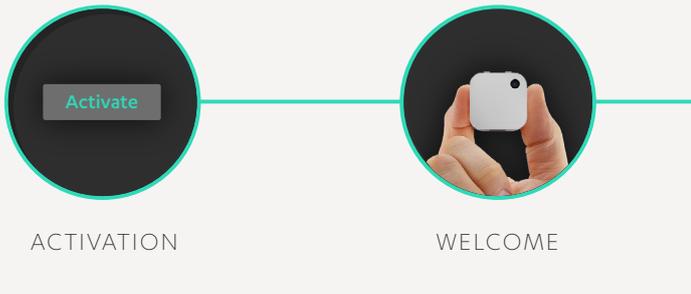
In another recent example, [Narrative](#), a Swedish-based hardware startup and maker of a wearable camera device, the “Clip”, was able to [cut its new user onboarding time in half](#), while increasing its new user satisfaction and retention rates, by personalizing the initial onboarding experience based on user behavior.



How Personalization Cut User Onboarding Time in Half

Narrative organized around a crystal clear onboarding goal of helping users log in to their mobile app and upload a certain amount of photos within 2 days. At the end of the onboarding journey, users were placed into an ongoing nurture track based on whether they were active, inactive, or partially active.

Onboarded or not, Narrative put the personalization in place to continue nurturing customer relationships for the long-term, substantially improving their metrics and results.



How Personal is Personal?

The key question is — while vendors and marketers understand the importance of personalization — **what do consumers think?**

With recommendation engines like Amazon, Spotify, and Netflix shaping consumer attitudes towards personalized content, consumers are accustomed to receiving what they want, when they want it.

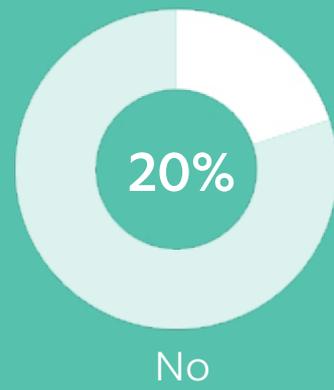
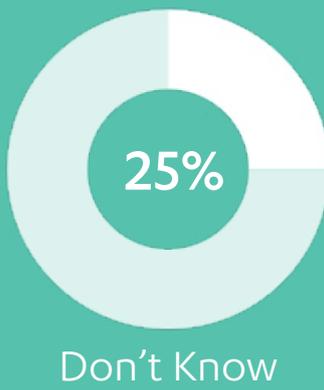
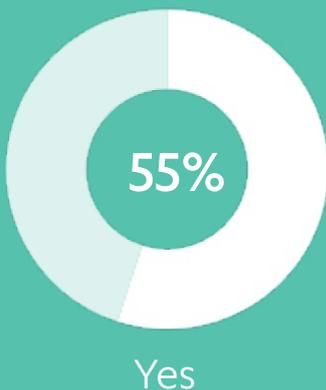
In this study, nearly two thirds (64%) of respondents have or may have bought a product that was recommended to them by Amazon or their favorite online store.

Putting a Face to a Name

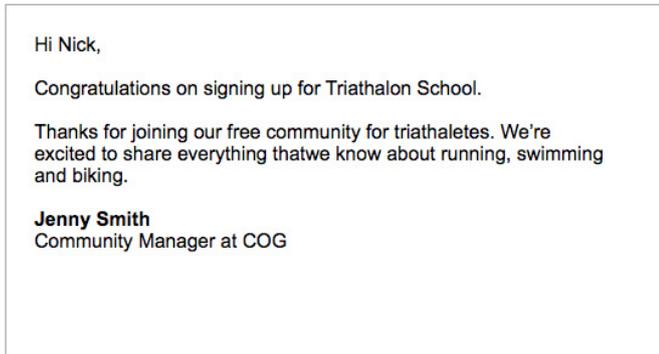
People also want to engage with or buy from other human beings. When asked if they are more likely to read an email where they feel a human connection to the sender, 80 percent said yes or don't know, which held true across every age group and user profile -- Millennials, Gen Xers, and Baby Boomers.

This was reinforced by an A/B split test, in which **respondents said they would be over twice as likely to respond to an email that includes a photo of a friendly sender** ("Jenny Smith" - see next page) than they were to respond to the same email that lacked the photograph.

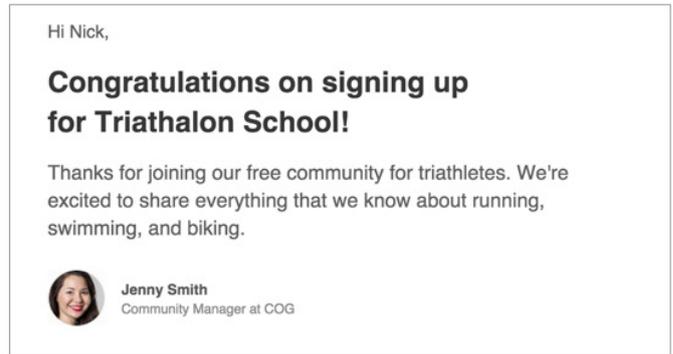
Are you more likely to read an email regarding a new product or offering when you feel a personal connection to the sender?



Which email are you more likely to respond to?



30.1%



69.9%



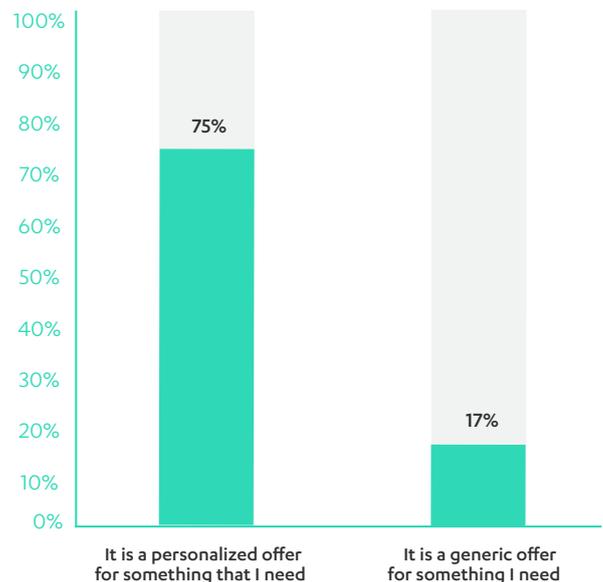
Consumers are 4X more likely to respond to a personalized offer than a generic one.

Need + Personalized = BUY

So how important is it to personalize content if the user already needs what is being offered? To understand this better, we asked respondents to rank the likelihood they would respond to a marketing offer based on whether it was personalized and/or needed.

Consumers indicated they were **more than four times as likely** to respond to an offer for something they need, if the offer is personalized (75%) vs. generic (17%). This supports that personalization is hugely significant to driving conversion for marketers.

I'm more likely to respond to a marketing promo or offer when:



Is personalization getting a bit much?

Although personalized nudges clearly produce desired responses and improve marketing performance, how and when can the practice get creepy or be “too much”?

Much has been written about the [“filter bubble,”](#) which is the uniquely tailored universe of information that individuals see online due to personalized search results.

Somewhat surprisingly, **only 20 percent of respondents in this study indicated that they would be turned off by a company if it were to personally market to them** by incorporating their past browsing history, while 51 percent said that they are more likely to buy or respond.

Obviously, best practices should be followed when utilizing personalization to address and engage your customers, but doing so well will drive engagement and conversion.

When brands market to me personally and incorporate my past choices and browsing history:

	Agree	Not Sure	Disagree
I am more likely to respond or buy	51%	29%	20%
I wouldn't care - as long as the offer is enticing	40%	39%	21%
I would regard them as better, smarter companies	42%	35%	24%
I would believe they deliver a superior customer experience	37%	39%	25%
I am more likely to refer them to friends or colleagues	28%	37%	35%
I would be more likely to unsubscribe	22%	37%	41%
I would be turned off by the company	20%	36%	44%

Personalization Best Practices

- **Provide personalization that helps rather than inhibits:** Give your reader access to content and data that helps them find what they need more quickly.
- **Define and evolve your segmentation criteria:** The best crafted content or most carefully curated links will fall short if you're delivering snowboarding tips to skiers.
- **Make sure personalization is useful and not gimmicky:** For example, direct users who are inactive in a product or who failed to complete a purchasing process with helpful links or knowledge base content that will immediately provide exactly the right guidance.
- **Alert the user when making personalized content suggestions:** Curate content for a reader's needs to narrow their selection universe. Alert them to this fact by indicating why, e.g. based on prior search history, app usage, or content engagement.
- **Be smart about leveraging personally identifiable data:** Billing details? Yes. Purchasing history? Yes, as relevant. Social media profile insights or recently-browsed website? No.



Give your readers access to content and data that helps them find what they need more quickly.

So again, why is personalization key?

Like the days before the advent of mass marketing and consumerization, customers want personal and meaningful relationships with the brands and companies they use most.

While still not a mainstream practice, this report offers new data points supporting that personalization represents perhaps the single biggest opportunity for marketers to “cut through the noise,” get closer to the customer and revenue, and market in a way that feels more like a conversation than marketing.

Some key takeaways include:

- Consumers say they are four times as likely to respond to an offer for something they need, if the offer is personalized based on their purchasing and browsing history.
- Consumers are over twice as likely to respond to an email that includes the sender’s photo.
- Most consumers are not turned off by personalized marketing - in fact, they have come to expect it.
- Hardware maker Narrative cut new user onboarding time in half while increasing their user satisfaction and retention rates with behavior-based personalization.



Customers want personal and meaningful relationships with the brands and companies they use most.

While most companies don’t yet have centralized profiles of their customer data beyond basic demographics and purchasing, modern marketing automation software is making it easier to combine data from silo’d storehouses, including CRM, web analytics, app usage, and support. This is enabling automated, contextual messages at every stage of the customer journey.

The next question is where — via what channel and delivery method — do consumers most wish to engage with companies and brands? Read on to find out in the next section.

Give Me Control Or Give Me Context

[Forbes estimates that consumers receive more than 30,000 commercial messages per day](#)

— which makes for a noisy world where marketers must fight for attention. So it would be useful to know on what channels and in what context, you are most likely to connect with your audience. This study shows that consumers either want to be able to control an interaction with a company, or else to be engaged in the right context — when and where it makes most sense.

Give me control by sending me an email

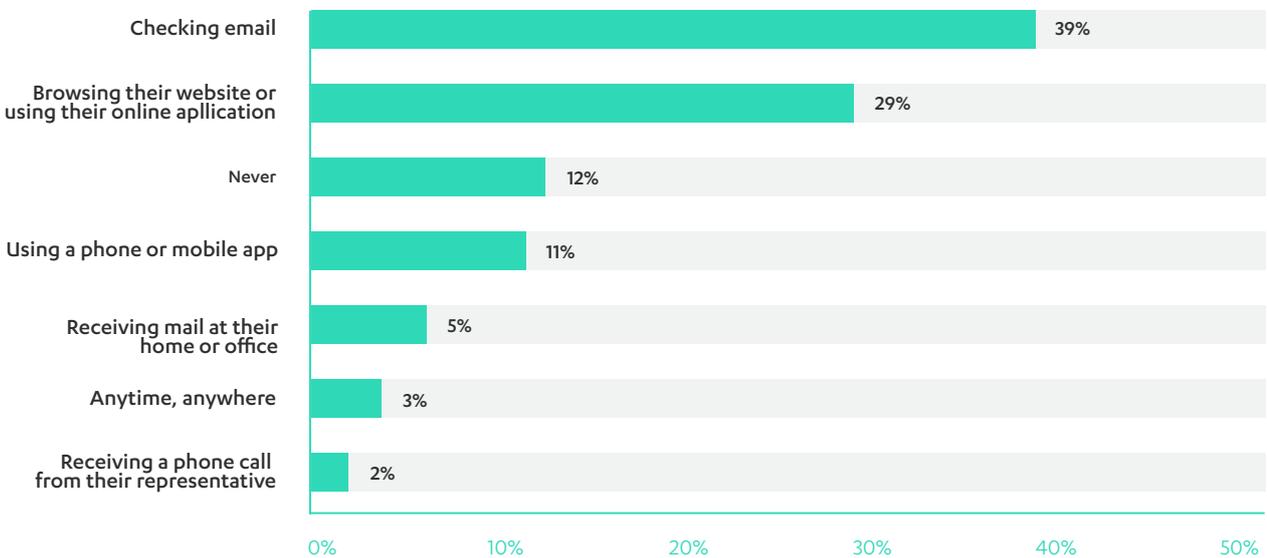
Over two-thirds of people are more likely to respond to a company’s support outreach or personalized offers when checking email (39%) or browsing their website (29%).

Moreover, the number one preferred channel of communication is email, which allows consumers to

control, sort, and manage the interaction without being directly interrupted.

This is consistent with a 2015 e-Consultancy study, which found that lowly old [email marketing is still ranked as the best channel in terms of return on investment](#), with 68 percent of companies rating the channel as ‘good’ or ‘excellent’, marking a 3 percent increase since 2014.

Consumers are most likely to respond to a company’s support outreach or personalized offers when:



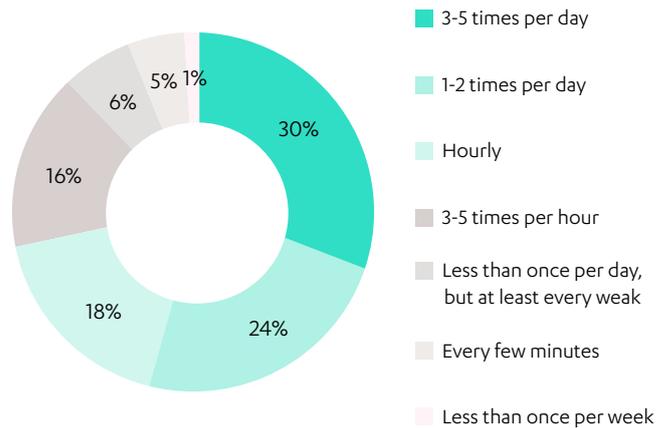
Email is also the most familiar channel to most, and offers are typically interspersed with personal interactions in the inbox. Almost all consumers (93%) check email at least every day, and the majority do so multiple times per day (see image, right).

As described in the previous section, other obvious advantages of email include the ease of personalizing content, both with dynamic field or image insertions, the ability to target based on segmentation, and flexibility to test design variations. Also, email is a proven channel backed by decades of use - which helps it reach technical and non-technical audiences alike.

Give me context - in the heat of the moment

After email, we found that the second most popular channel for consumers to engage a company or brand is when they are browsing their website or using their web or mobile app. This is consistent with the rise in popularity of live chat or in-product messaging, and their ability to bring brands and customers together.

Consumers typically check email:



A study by [Ericsson Consumer Lab](#) showed that **83 percent of consumers would prefer a more proactive approach from their service provider, including live chat.** Typically, proactive chat is offered in response to specific user behaviors, including visiting key website pages, or staying on site or in app for extended durations. Both of these could indicate the user is confused or engaged, and often are thankful for a well-placed offer for live chat.



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Get Your Mortgage Statement Today

ALL FIELDS REQUIRED | SECURE

Mortgage Goal:

Select One

How much do you want to borrow?

Select One

How much is your home worth?

Select One

Get Started

Engagement Window
<https://sales.liveperson.net/hc/72231830/?cmd...>

Quicken Loans Close

Let's go over a few things so we can connect you with a Home Loan Expert who fits your needs.

What's your first name? *

What's your email address? *

In what state is the home located? *

Select One ⌵

In another example, Business to Community showed that [in-app mobile messages had much higher click-through-rates \(28%\) than in-app ads \(0.56%\)](#). In part due to analytics and targeting, and in part due to the quality of content, in-app messaging succeeds because its objective is not just to attract the user, but also to

inform her of new features, additional content she might find relevant based on her interests, or help connect her with the community.

It's time, for wine time.

Wines for every palette shipped globally.

Download our catalogue

Michael Sharkey CEO at WineTime

Hi Anne, thanks for downloading our catalogue! Would your team like a free wine tasting?

Schedule the wine tasting

autopilot

What are some of the advantages of in-app or on-site messaging, compared to say email or mobile push notifications, that win the affection and engagement of users?

- Offers an intimate way to engage your audience with fresh content and a flow that transcends any particular web or app page
- Can take the form of a small text notification or a brand-aligned visual that includes a call-to-action link to related content or offers
- By tagging and segmenting users, can produce better profiling and more accurate personalization to drive more conversions
- Offer the possibility to use longer text, images and interactive visuals in general, as well as links, compared to mobile push notifications, for example

What channels aren't working?

Just two percent of U.S. consumers indicated that they would prefer to be proactively engaged via a cold phone call (see graph, page 16). Even though speaking directly to an agent or rep is highly personal in nature, what proactive calling fails on is giving the recipient control or context. The recipient lacks control to time and direct the conversation as desired, and in 9 out of 10 instances, the call is not contextual to when and how the user is engaging the product / website.

Taken together, we find that consumers are 18 - 25 times more likely to respond to a company's proactive support outreach or offers, when they delivered in-app or via email, than over a phone call. By delivering control and context, email or onsite/in-app channels are preferable for making "first touch" connections with customers, than other traditional channels like mobile text messages, direct mail, or phone calls.

The final section of this report delves further into consumer behavior on mobile.

“Consumers are 18-25 times more likely to respond to a company's proactive support outreach or offers when they delivered in-app or via email than over the phone.”

6

Mobile is Coming in Lukewarm

While mobile continues to grow as the consumer’s platform of choice, it has not yet beaten out the computer. Our survey shows that there’s a very close tie between mobile phones and computers when it comes to consumers checking their emails, 38 percent and 37 percent respectively.

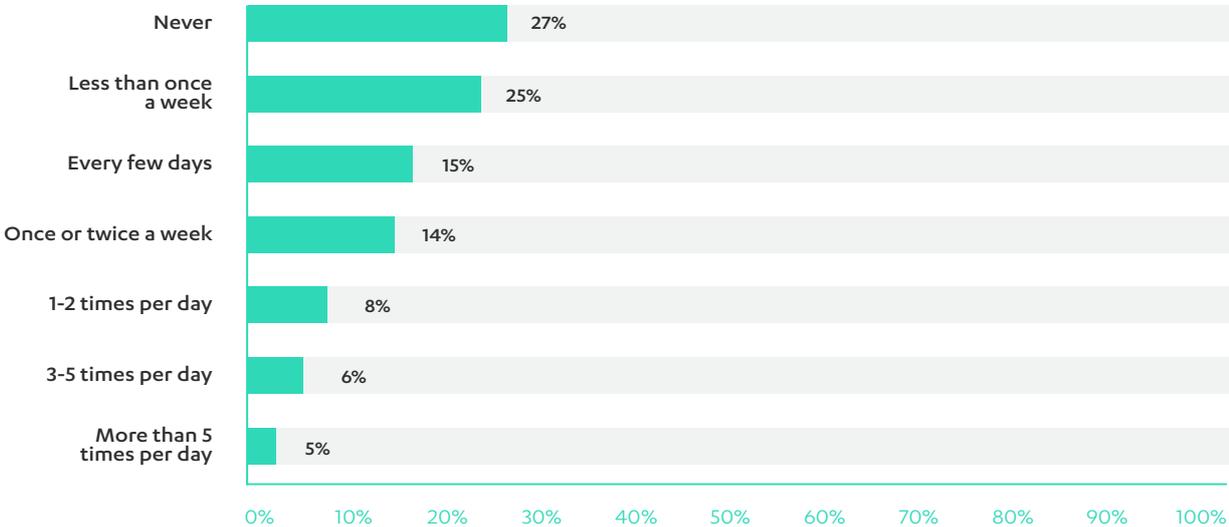
Additionally, when it comes to the bigger lifts like paying bills or making travel plans, 52 percent of respondents said they used their mobile phone for those tasks once a week or less, suggesting that mobile devices and their smaller screens are better suited for consuming content, rather than performing more complex tasks. This was found across respondents from all age groups.

However, mobile is poised to gain some steam, especially amongst Millennials — they prefer checking

email on mobile over using a computer. Between that, leaps and technology, and the close email on mobile vs. computer tie, mobile is expected to take over.

While mobile represents a growing opportunity for marketers, it’s not a place where people are completing tasks like making reservations, booking transportation, or paying bills online. That said, Millennials’ preference for mobile email suggests we may see a world of mobile ecommerce bloom in the coming years.

Consumers use mobile devices for complex interactions with businesses, e.g making reservations, booking transportation or paying bills online:



Appendix

Data Collection

This survey was carried out in August 2015 and aims to represent the behavior of “average” U.S.-based consumers. In total, we collected 1,200 completed surveys, and excluded respondents who were under 18 years old or spend less than one hour per day using the internet.

Surveys were emailed in two different batches to 1,477 total pre-registered, pre-screened participants, using the SurveyMonkey® Audiences product. To incentivize participation, SurveyMonkey® donated \$0.50 to a recipients’ preferred charity upon completion.

Survey Wave	Surveys Sent	Surveys Completed
Soft Launch (8/21/2015)	74	65
Full Launch (8/21/2015)	1,403	1,135
Total	1,477	1,200

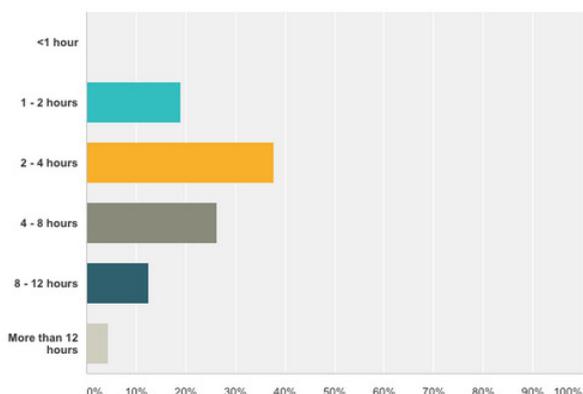
Consumer Audience

The average consumer in this survey spends between 2 and 4 hours online every day, with 43 percent of respondents spending more than four hours online,

and 17 percent spending more than 8 hours online per day. 53 percent were female, and 76 percent were over 30 years old.

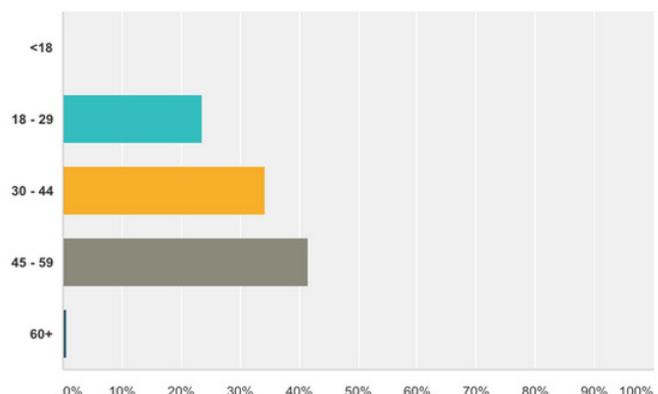
On a typical day, how many hours do you spend using the internet?

Answered: 1,204 Skipped: 0



Age

Answered: 1,200 Skipped: 0

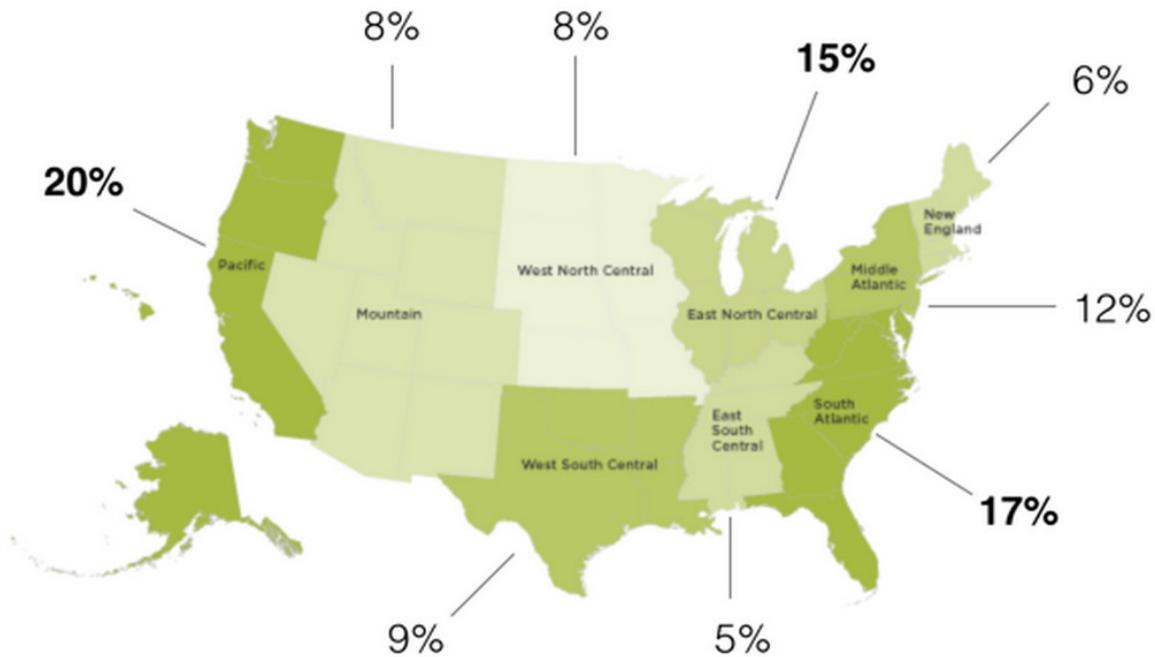


Average Income

41 percent of the respondents had combined household incomes of between \$25,000 and \$74,999, which is consistent with average incomes across the U.S.

Geography

Respondents were evenly distributed across 9 major US Geo's (see image below). Top 3 were Pacific (20%), South Atlantic (17%) and East North Central (15%).



Technology Preferences

Survey respondents used four main platforms, with Windows-based laptops still accounting for twice the share of the second most popular platform (iOS phone/tablet). Android lagged barely behind iOS, and MacOS (laptops) accounted for one quarter of Windows-based laptops.

OS	Device	Responses
Windows Desktop	Laptop	44%
iOS Phone	Tablet	22%
Android Phone	Tablet	20%
MacOS Desktop	Laptop	11%
Other		2%



Guy Marion is the Chief Marketing Officer at Autopilot.

Autopilot is easy and visual marketing software for automating the customer journey. We help marketers acquire, reactivate, and grow customers using a drag and drop canvas. Our built-in integrations to popular tools like Salesforce, Segment, Twilio, Slack, GoodData, and Zapier make it easy to message consistently across multiple channels including email, SMS, and physical mail.

Founded in 2012, Autopilot is based in San Francisco and has raised \$20.5M in venture funding. Backers include Salesforce Ventures, Stage One Capital, Rembrandt Venture Partners, Southern Cross Venture Partners, Blackbird Ventures, Tim Draper, and Terry Garnett.

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