

5 REASONS PERSONALIZATION FAILS

And why the superficial personalization of the past no longer works

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INTRODUCTION

Communication Service Providers (CSPs) are at a tipping point. When it comes to marketing, what's worked in the past no longer applies. Marketeers know they only have a few seconds to get noticed amongst the thousands of messages customers receive each day.

As a result, personalization matters more than ever. The benefits of this are clear. Almost three-quarters of people will only engage with marketing messages that are tailored to them. And if done well, personalized marketing efforts are proven to increase ROI on marketing spend, strengthen customer loyalty and boost revenue by up to 15 percent.

However, most brands still only have a superficial idea of personalization - for example, addressing a user by their preferred name in an otherwise generic email blast. This limits their ability to cut through the noise and find the connections people really want, and will often lead to users changing their permissions to withdraw the consent marketers need to work effectively.

Therefore, poorly personalized messages don't just harm CSPs now - they prevent them from operating effectively in the future.

CSPs need to evolve from these superficial efforts to embrace true personalization. This means developing a full human understanding of your customers - not only who they are, but crucially, what they want.

To do this, you need data. The good news is 90 percent of customers are willing to share personal data if they get some benefits in return, such as truly personalized offers and opportunities. However, many CSPs are not yet able to take advantage of this because they are unable to turn this data into useful personalized campaigns. And there are a few common barriers that prevent CSPs making the most of their assets.



01

DATA IS TOO BIG, NOISY AND SENSITIVE

The biggest issue many CSPs have when using customer data to improve personalization is the data itself. In many cases, it's either too big, too sensitive, or too full of irrelevant information - and for many, it's often all three.

For example, one of our clients, Verizon, generates trillions of rows of data. Much of this will end up being 'noise', and so without the right tools to sift through this information and identify the valuable data points, it would be impossible to turn this into actionable insight.

Customer data is also highly sensitive and comes with intensive security requirements when processing it. For many CSPs, these are burdens they're not prepared for, or they worry about the potential risk of getting it wrong, and so much of the valuable data goes unused. The result of this is CSPs have no idea who their customers really are or what they want.

02

IDENTIFYING PATTERNS OF BEHAVIOR AND BEING COMPLIANT

Privacy concerns are a major barrier that prevents CSPs from making the most of their data. Therefore, being able to identify patterns from within your data while remaining safe and compliant with privacy legislation is a must.

This is another area where many CSPs fall down. While the regulatory fines for failure in this area are significant, they pale in comparison to the loss of trust and reputation you may suffer among customers if you cross the invisible line between being personal and being creepy.

Getting this right is tough. CSPs don't always know what the outcomes of their algorithms will be, so they have to build them carefully to take into account these issues. This requires a different approach to data processing, like 'digital twins', which help find patterns in anonymized customer action data. You can then match this to individuals or small clusters of users, depending on the level of consent you have.

03

NOT KNOWING HOW CUSTOMER BEHAVIOR IMPACTS RESULTS

Having detailed, privacy-safe insight into a customer, however, is just the first step on the path to true personalization. The next - which is another area many still struggle on - is understanding how this real-world behavior translates into results.

This data will be almost useless unless you can see how their profile connects with your company's business objectives. This requires an intuitive, human feel for what actions will lead to the most positive results, but there's no way to glean this unless you can effectively explore and question your data on a human level.

For example, how does a user's browsing behavior connect to likely outcomes? Can, for example, a user who is visiting credit rating agency websites, indicate they are a greater churn risk - and if so, what should you be doing about it?

04 NOT PERSONALIZING THE TREATMENT

It's not just about what campaigns and offers you show to individual customers, but how you present this to them. Knowing what a customer wants is all well and good, but presenting this in images as well as words that feel familiar to the customer impacts what they hear as opposed to what you say.

Marketeers will know well that the words and images they choose can make a big difference. But they may not recognize there can be a big gap between what a brand says and what the audience actually hears. In today's world, there may be hundreds of potential treatments for a campaign rather than just one, and knowing which ones to deliver to which customer is vital.

Yet in many cases, due to the treatment of the message, brands end up targeting very different customers to the ones the offer is intended for and this impacts the campaign results. Without building your target personas from the data up, there is often a gap between who you target through the treatment, and who is actually buying. Without knowing who your existing customers are, personalization attempts are doomed to fail.



05 BAD TIMING

Addressing the above points still won't lead to success if the timing is wrong. The right personalized marketing message at the wrong time is still the wrong message. An offer that may have been of interest last month is no longer useful to a customer who has already gone in a different direction.

Timing is therefore everything in getting personalized marketing right. To address this, CSPs need to move on from traditional campaign-based models to an 'always-on' approach, where telcos are constantly observing and learning from customer data about when the right time to engage is, and repeating that process to hone their activities.

By looking at patterns of behavior to identify key triggers that can be used to initiate messaging, CSPs can apply this learning and step in at just the right time to help customers do whatever it is they already want to do. This is the essence of personalized CSP marketing, as it ensures customers are getting relevant communication precisely when they're likely to be most receptive.





IS IT TIME TO
MAKE TRUE
PERSONALIZATION
WORK FOR YOUR
BUSINESS?

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