How does personalisation work
And why is it relevant?

A personalised experience means adapting the way we address customers, depending on what we know about them, to achieve greater relevance.

A greater relevance leads to greater overall conversion rates, with this being a further level of optimisation, on the individual level.

Personalisation is ideally based on the individual behavior of one specific customer. The changes that will appear to this user are tailored to their specific behavior. **To create a personalised experience, we need relevant data about specific customer.**

Personalization means that not all customers will be exposed to the same communication. **There are numerous elements of experience that can be adapted to create a more relevant customer journey.**

Learning and predicting what changes are most relevant for which customer and can bring higher conversion rates, needs to be based on constant empirical testing. **The incredible complexity of variations can be best managed with an AI.**

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Customer knowledge as a basis for personalisation

In order to create e a personalised experience, it is necessary to collect, store and use data on individual user/ customer. Personalisation can rely on scoring models and segmentation if necessary. The more data we have on individual customer the more relevant we might become, but the complexity of the personalisation increases as well.

The personalisation of commerce experience can be based on:

➤ **CUSTOMER DATA,** including fixed customer attributes (e.g. age), variable customer attributes (e.g. address), added attributes (e.g. price sensitivity score, product category interest score)

➤ **HISTORICAL TRANSACTIONAL & BEHAVIOURAL DATA** (any data on customer interaction with a company at any touchpoint, e.g. previously viewed products)

➤ **IN-SESSION-DATA** (clicks, search, navigation during the current session, e.g. clicks on a product category)

➤ **SITUATIONAL DATA** (e.g. date, time, weather, browser, device, referrer)

Customer data and transactional/ behavioural data need to be stored centrally so they are available for all existing and future touchpoints. This 360-degrees customer profile is updated with any customer transaction and is a subject to GDPR.

CUSTOMER DATA

CONTENT

PERSONALISATION

REAL-TIME CONTEXT

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Elements of partner portal experience that can be personalised

To create a more relevant customer journey, the following elements might be combined:

CONTENT
e.g. displaying articles or banner on the page depending on the category preferences of the customer.

PRODUCT SORT ORDER AND SEARCH RESULTS
different recommended products and alternative sorting of search results depending on the customer's price sensitivity.

COMMUNICATION
behaviour-related messages during the buying process.

ADS AND CAMPAIGNS
e.g. tailoring the content of landing pages to a specific focus area.

SYSTEM STATES
e.g. remembering preferred payment methods or displaying the most relevant information on the home page, such as delivery notification for a processed order.

LAYOUTS
e.g. changing the arrangement of the product detail page.

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Dealing with complexity of personalisation – empirical testing and ai

For most, the problem with personalisation is not the lack of customer data or elements that can be personalised, but the question of **which data and which changes are most relevant for the specific customer.**

In order to ensure the relevance of the individual variations, you need to test the experience at the individual (segment) level – which further adds to the complexity.

With the help of AI algorithms, it is possible to create a meaningful, full scale personalisation programme, avoiding the disproportionate amount of time this process could take.

This kind of AI tool takes over the execution of numerous A/B/N tests and calculates, in real time, the probable relevance of certain elements for the specific customer. Without AI, the possibilities and overall scope for personalisation would be limited by the time required and the complexity.

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KPS Personalisation Approach

KPS sees personalisation as a further step of optimisation as both are based on the same empirical process.

As a rule, we recommend focusing on your optimisation goals first, to ensure you create a barrier-free overall experience and reap the benefits of better conversion from optimisation. Then, your attention should continue at the segment and customer level to further tailor the experience to the needs of the customer.

Both optimisation and personalisation can be built on the same setup, team and lean process.

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