

Personalization Best Practices

1. **Personalization begins with data and segmentation.** Effective personalization is based on good data and improving it over time. Leverage the data you have now, but identify the data you believe you will ultimately need (what products are ordered together, do they get reordered, etc.)
2. **Start organizing customer data and segments.** Leverage existing customer behavioral and transactional data and identify the data needed to further personalization efforts. This includes not only interactions related to the shopping process, but also external interactions like clicking a link in an email campaign or contributing to a product review. Use data to identify groups of similar customers and create personalized paths for them.
3. **Target customer segments.** Start personalization efforts on easily-identifiable segments (e.g., first-time visitors, visitors from particular geographic locations, visitors referred from specific sites, or search terms).
4. **Link analytics, search, CRM, and web content management technologies.** These tools are critical to gathering the necessary data for personalization. Work with these systems through all channels to optimize data collection and use it to deliver the most complete personalized content possible throughout the shopping journey.
5. **Personalization is an ongoing and continuous process.** Don't simply implement and launch and assume the improvement was worth the effort. Trials, evaluation, and process automation will involve significant financial and human investment, but the incremental results will be worth the effort. The platform also needs to be made aware of new products and available data sources that were not available at launch.
6. **Personalization should extend beyond web to include email, mobile, and social.** Since you typically have more information about customers who have signed up to receive emails or are involved in social media, these could be the most effective venues for personalization. Many personalization engines support individualized emails triggered by selected behaviors (such as abandoned carts, searches, and browse sessions). These "hyper-relevant" triggered emails convert to sales at a vastly higher rate than promotional emails. Mobile also gives you the added ability to identify your customer's geographical location, adding an additional dimension to personalizing.
7. **Data integrity is critical to optimizing personalization.** Develop practices to de-duplicate, cleanse, and validate data on an ongoing basis. If data integrity is not maintained, it is much more difficult to go back to clean up.
8. **Consumer privacy is crucial.** It is critical to keep all data private and secure. Have a thorough privacy policy that is easily accessible. Remember, effective personalization requires subtlety, but is also requires transparency to build customer trust. Ensure that any third-party technology provider is fully GDPR-compliant.
9. **Understand how personalization affects your business metrics (conversion, sales growth, engagement, etc.)** Understand why this is a business priority and what metric growth you expect to gain. Personalization requires a significant investment of time and attention, and results might not be immediate, so a firm commitment (and a capable technology team) is required. Also be aware that different manifestations of personalization can lift different metrics. For instance, product recommendations on PDPs typically increase conversion rates, whereas cross-sell/up-sell recommendations in checkout will also lift average order value.

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eCommerce Diligence™ Checklist

Personalization Key Questions to Ask Providers

Company

1. How long have you been in this business?
2. How many clients have you sold? How many have you lost, and why?
3. Is your solution geared more toward enterprise, mid-market or the SMB space?
4. What peripheral or support services do you offer (e.g., data mining, content management, analytics, SEM, consulting/implementation)?

Products/Services

1. Would you characterize your solution as a comprehensive bundle (includes technology, strategy, implementation) or as a hosted application (requires me to provide content and effort to make it valuable)?
If comprehensive:
 - a. What professional services (e.g. strategy, segmentation analysis, and implementation) do you provide?
 - b. How complex is the launch cycle process? What specialized skills are needed from my company?**If hosted application:**
 - a. What internal IT skills are required? How does support work?
2. How many transactions per month does my website require before your statistical algorithms become valid?
 - a. What data can and should be uploaded
 - b. What type of skillset does my team need to integrate a feed or import past data on an ongoing basis?
3. To what extent is AI/machine learning utilized in your platform and what does that mean for the business users charged with managing this system?
4. What technical support services are available?
 - a. Is your support team located in the US?
 - b. What is your SLA for support issues?
5. Do you have a support knowledge base, community forum, or applications that are shared by customers?
6. How do I ensure I own and control my data in the event I need to change platforms?
7. Which customer journey touch points does your system directly personalize?
8. Do you evaluate customer behavior based on website data only or do you can you pull in data from any of our back-end systems?
9. Can one instance support multiple websites?
10. Do you have support for or integrate with Order Management platforms for Customer Service?

Features and Strategy

1. What is your product's competitive advantage over other personalization packages?
 - a. Mathematical algorithms? Access to a wider database? Third-party support? Price? Ease of use? Don't say "all of the above".
2. What key features are included in your solution? What features are currently missing or are on your roadmap?
 - a. What features do most retailers love? What about customers?
3. What are some of the exciting initiatives other retailers are doing with personalization?
4. How should I prioritize mobile (geo-targeting/beacons) vs. online?
5. Do you have experience w/ social strategy/integrations?
6. Following implementation, how much performance improvement is automated vs. manual?
 - a. How much monthly time should I spend on optimization efforts?
7. Is your service a replacement for my existing ecom features? How do you integrate with them?
8. How does your platform integrate (functions and data) with search, ecommerce, and analytics? Please list your standard and custom built integrations.
 - a. Do I have to re-organize my ecom data in order to use your product? If not, how does it work?
9. Do you have a management console?
 - a. Does it include reporting and a dashboard?
 - b. Describe your reporting capabilities (batch vs. real-time, ad hoc, etc.)
 - c. Please provide a list of standard reports.
10. What strategies do your clients employ to address privacy and security concerns?

Pricing

1. How are you priced? Flat fee, support fee, variable by usage?
2. Are there any additional fees (e.g., implementation, transaction costs, and overages)?
3. Please provide an estimate of my total annual cost for your service, including an ROI model.
 - a. How much will I need to improve sales in order to justify this investment?

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