

Five Components of Personalization

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ChoiceStream's CEO describes how marketers can take advantage of more choices by getting personal.

The availability of digital entertainment content is exploding as device makers develop new and innovative ways to access that content from laptops, mobile phones, music devices and connected TVs.

Major entertainment and media companies such as Disney, NBC and AOL are making popular TV shows and films available to consumers on their devices of choice. Video sites such as Google, YouTube and iFilm are providing consumers with access to home and viral videos at an unprecedented rate. Music services, such as iTunes, are offering millions of songs and a growing amount of video for their users. Combine this with the increasing number of devices from which consumers can access this information and what you end up with is... a confused consumer and a concerned marketer.

All these choices provide marketers more avenues than ever to reach consumers. While choice is a good thing, too much choice leads to confusion and confusion leads to lost revenue as consumers abandon empty shopping carts rather than wade through vast arrays of unorganized material. Marketers need to provide consumers with the ability to find what they really want and will enjoy and advertisements they're more inclined to click. Enter personalization.

Many still view personalization strictly in terms of providing consumers with rudimentary recommendations of products they might like. Companies like Amazon and Netflix have been able to use this effectively. But with today's content and content-delivery options, marketers need to go beyond this to implement a more holistic personalization strategy-- one that automatically brings the world of personally relevant content, products and services to each consumer on a one-to-one basis.

Marketers need to implement a personalization strategy that focuses on five key components: acquisition, community, discovery, merchandising and one-to-one marketing.

Acquisition: For most businesses, the primary means of growth is the acquisition of new customers. Typically accomplished through a combination of mass marketing and direct marketing, customer acquisition can be a costly proposition. By delivering meaningful, relevant content from the first interaction with a prospect, businesses can rapidly accelerate

the acquisition cycle, leading to an uplift in key business metrics including increased sales conversions and revenues.

Community: The word-of-mouth recommendation remains one of the most effective marketing strategies. Using personalization to connect users who have similar tastes and interests leads to the discovery of new content, information and products.

Discovery: By understanding a consumer's likes and dislikes, and how those tastes map directly to the content available, marketers can lead the user on a journey of discovery, enabling him or her to sift through massive amounts of video, music, products and other content to find what they truly want. The less time a consumer spends looking for what they want, the more likely they are to purchase.

Merchandising: Personalized merchandising automatically presents consumers with the products they want and need. It's like giving each consumer their own personal shopper-- someone who knows their preferences and interests and can customize their store just for them.

One-to-one Marketing: Implementing a wide-reaching personalization strategy that impacts all consumer touch points enables marketers to effectively reach consumers through traditional avenues, such as email, e-newsletters, promotions and advertising-- but with better results. Providing a personal view of the web to each consumer results in consumers viewing advertising they're more likely to click on, receiving email they're more apt to open and view, and getting promotions they're more likely to use-- all of which contributes to greater average revenue per user.

From the consumer perspective, this level of personalization dramatically enhances the day-to-day connected experience. Instead of wading through massive amounts of content for movies to watch, music to listen to or products to buy, it's all automatically delivered to the device of choice. From the office to home, to mobile devices, the personalized web will create an environment of reliance and trust as consumers turn to this new, interconnected world for discovery.

For marketers, personalization provides an opportunity to harness the vastness of the internet to generate new revenue streams, as this greater, more entrenched level of personalization alters current advertising and retail models to reflect the greater level of specificity afforded to each consumer.