



Personalized offers— what to know and where to start.

Your guide to collecting, wrangling, and
maximizing customer data.



Imagine it's your birthday and you've just received a package at your door—a gift. It's addressed to you by name, and you recognize a good friend's handwriting on the label. It's wrapped in paper that's your favorite color. When you open it, you smile. Perhaps it's that shirt you've been wanting, or a book that's right up your alley, or your favorite sweet treat. Only someone who knew you so well could have picked this out for you.

Now imagine a slightly different scenario. It's six weeks after your birthday, and there's a gift at your door. It's addressed to you, but with your full name instead of what your friends call you. And it's misspelled. When you open it (the card says, "Happy Birthday!"), you wonder if the package was really meant for you, since it's something you didn't particularly want. And when you see who it's from, you know why—it's a new neighbor who clearly wanted to do something nice but missed the mark at every turn. And while it may be the thought that counts, they didn't really know you, so the gift ends up being proof that you aren't close. It feels like too much, an intrusion, and maybe even a little creepy.

We all like to be around people who know and understand us, and receiving the perfect present is evidence of that. When there's a personal connection and intention on the other side, we feel seen and cared for, not intruded upon. The giver may have relied on personal knowledge about you in selecting the gift, but they've used it carefully and made choices that show genuine respect.

Personalization in the digital realm can have the same effect—changing every interaction into a guided, assisted, just-for-you journey by someone who knows you. And if it's done well, their respectful choices build affinity and gain your trust all along the way.



The new normal.

These sorts of individualized experiences are everywhere, from recommendation engines at Netflix and Amazon guiding us to movies and products we might like based on our viewing or purchase histories, to in-stock notifications and discount offers for items we've put in our cart elsewhere. Because it's possible today for companies to know more about us—and to act on that knowledge in real time—personalized journeys and offers have become the expectation, not the exception.

Customers prefer a personalized experience for the same reason we like a well-chosen present—they feel more understood and valued, so they trust you more. In fact, 55% say they'd switch brands to get a better customer experience. But this is about more than just giving customers what they want. According to [Forrester](#), personalization boosts business outcomes, too, delivering 1.7 times the customer satisfaction rates, 2.3 times the customer lifetime value, and 1.9 times the customer retention.

The impact of personalization

1.7x

the customer
satisfaction rates

2.3x

customer
lifetime value

1.9x

customer
retention

Source: Forrester

As a business developing a personalization strategy, now you're the one giving the gift and the customer is on the receiving end. That raises questions and challenges—what do you need to know about your customers, and how do you use that knowledge to offer special, individualized experiences? What can go wrong? We'll sort through it all, including which types of customer data are relevant for your marketing approaches.

When you understand the data, you're better equipped to review your own personalization strategies and find solutions that can help you create personalized, beautifully packaged customer journeys.

USE CODE BIRTHDAY



Customer data types.

Who are your customers, really?

True personalization starts with knowing your customers in more than just a few ways, with a goal of knowing them deeply. Different personalized campaigns require different types of customer data, so let's first look at the range of what you can collect. The sort of information you gather is like preparing to buy someone a gift—getting to know your customers so you can deliver for them in a personal, individual way. What you gather, and then what you focus on, depends on what you're trying to accomplish. (More on that later.)



Demographic data tells you who your customers are. It's the sort of personal data most people are familiar with, including age, income, employment details, interests, and more. When you're selecting a gift for someone, this knowledge helps you narrow a broad range of choices to make sure the gift is generally appropriate. For marketers, it could let them, for example, show an offer to parents of young children versus retirees.



Context data comes from a customer's environment to tell you how, where, and when they are interacting with you. This might include the device or browser they use, platforms and sites they are coming from, their social media interaction, their local weather, and time of day. When you're shopping for a gift, context data helps you understand what someone's days and world are like—you wouldn't give a raincoat to someone who lives in Miami or a fishing rod to someone in Palm Springs. Context data in business, for example, lets an international conglomerate's website default to your native language when you visit.



Behavioral data helps you understand the "how" and "why" behind your customers' interactions with you—why they visit, how they interact, why they come back. It's usually information around purchasing patterns (when customers buy things, for what activity or occasion), the benefits they're looking for, and loyalty. It can also include how they use services like free trials, or if they subscribe or unsubscribe to brand newsletters. And it extends to which content they consume, and from where, with the ability to drill all the way down to how well individual images and links perform historically.

Just as with selecting a gift for a friend, knowing the habits and preferences of your customers makes it easier to create experiences they'd like. How they spend their time, what topics interest them, what features they're looking for—the more you know, the better you can deliver for them.





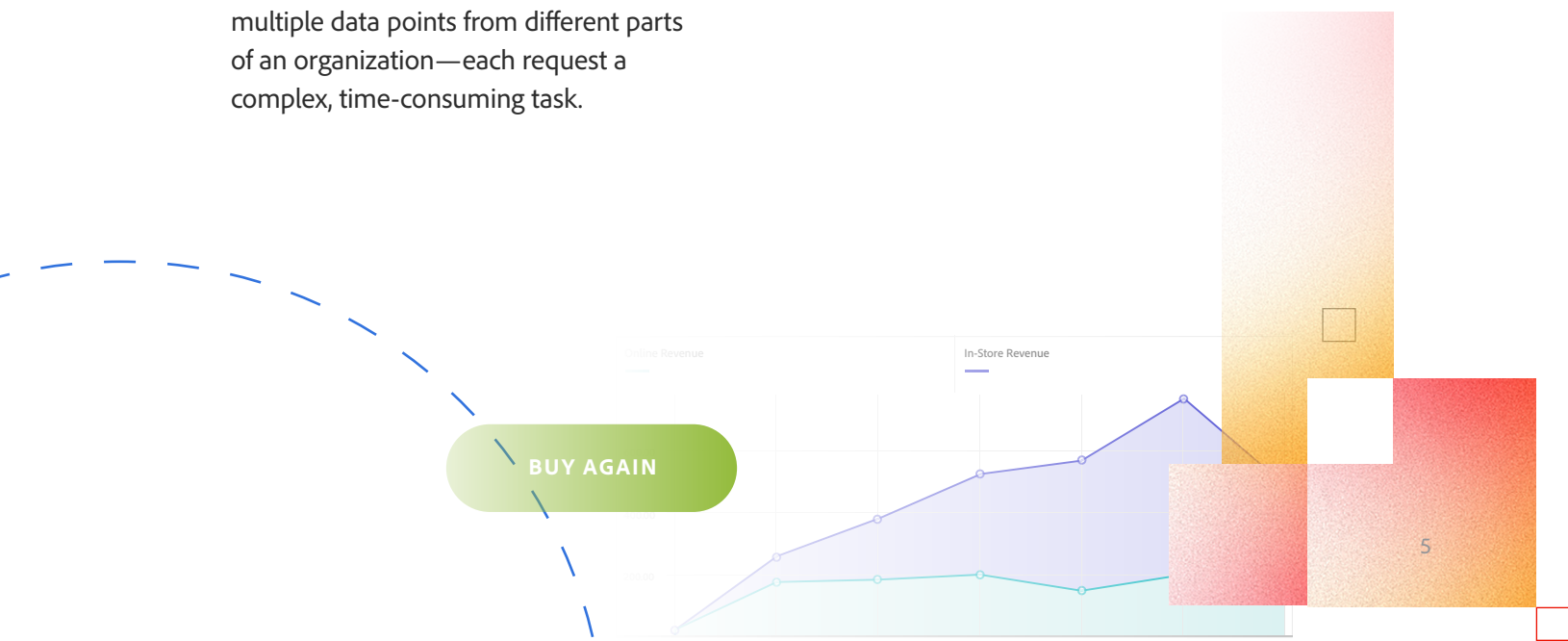
Website and app data is gathered from customers' activity with you digitally and can be captured every time they're on your site or using your app. This includes the sort of details you might expect, like how often they visit, what's in their cart, and what features are most popular with them. If they have a profile with your company, this is where they would update it, answer customer surveys, and set their preferences. You also have visibility to comments they've left for specific items.



Purchase data, tracked over time, tells you which categories customers shop in most, how often they repurchase the same item, how much they spend with you in general and per transaction, and, of course, what specific items they actually buy. It's easy to see how these details could be helpful in your approach with them, just as they are when selecting a gift—what sorts of things do they buy for themselves? Are they creatures of habit? Do they splurge?

But the biggest question by far is what to do with all this information. Turning data into insights, then insights into intelligent actions, is an enormous task. Consider the demands it can place on an IT department just to find and synthesize multiple data points from different parts of an organization—each request a complex, time-consuming task.

Customer experience platforms, which are designed to simplify and automate all of this work, are relatively new technology. Many companies have spent decades developing their customer-experience tech stack, pouring resources into solving issues as they arise and stitching together disparate solutions to answer the needs of their business. But without a technology layer dedicated to managing all the data—and all the requests—it's easy to imagine how many opportunities are missed, and how many things can go wrong.



Personalization challenges and the cost of getting it wrong.

Considering personalization challenges and risks.

Attempting personalized experiences without the benefit of a centralized data system is filled with landmines and understandably daunting. The result is often “bad personalization.” Outdated, incorrect, or unavailable customer data causes you to make guesses about who your customer is and what they want—just as you do when buying a gift for someone you don’t know well. And it can cause you to make the right approach at the wrong moment. But here, having good intentions won’t save you—more than half of consumers (58%) say they will stop purchasing from a brand that doesn’t provide the personal experiences they value.

58%

of consumers stop buying from brands that don’t provide personal experiences.

Source: 2022 Adobe Trust Report



There are five main challenges to getting personalization right.

1. Having a single source of customer truth.

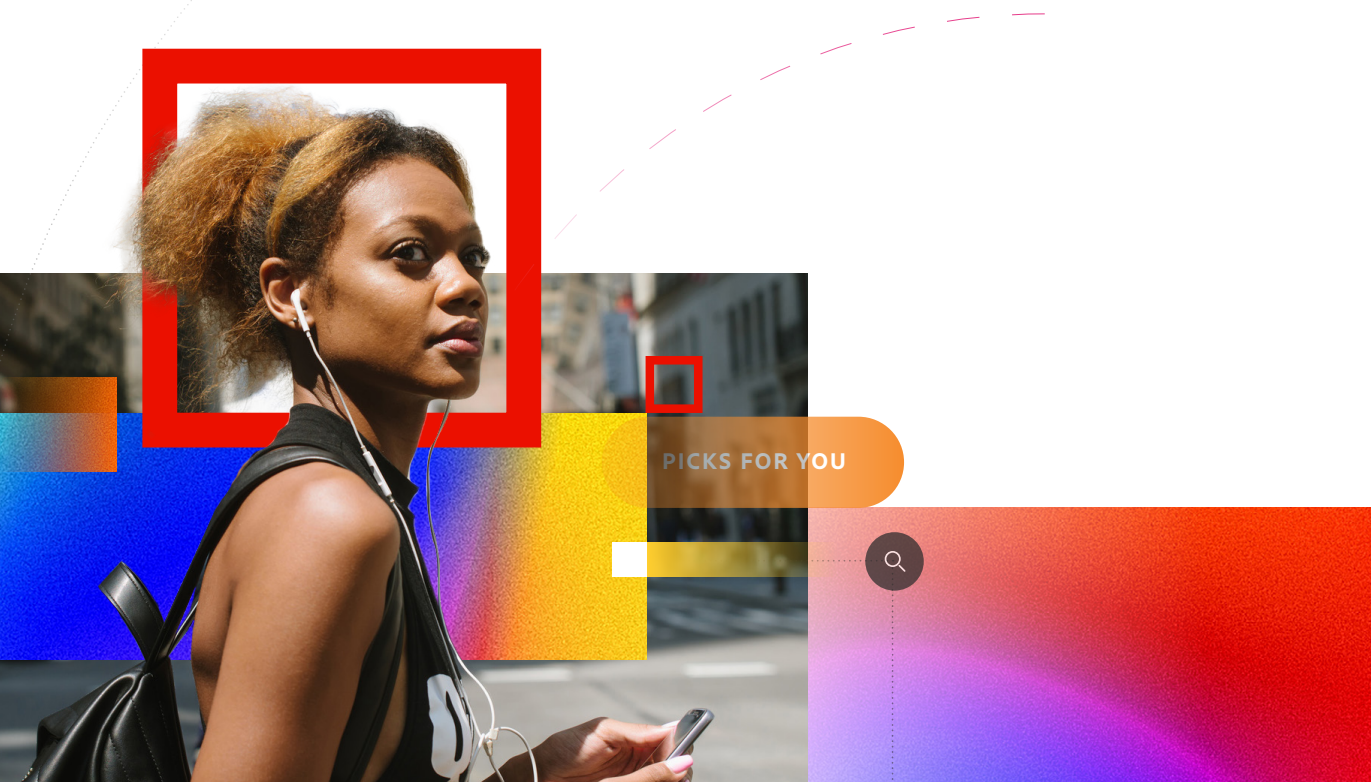
You may know a few things about that person you're buying a present for, but do you know enough? Just their age and gender won't get you further than a very generic gift. You could ask people they work with, or their neighbors or relatives, but without knowing who can be most helpful, you're stuck. It's the same with customer data—across your company, you may have all the information you need, but it's hard to get much insight from it when it's unstructured and compartmentalized.

A single source of customer truth means a business has access to—and can operate based on—the same centralized set of relevant customer data, anywhere in the organization. When data is siloed in different departments or systems, each department can only act on what they know—not on what everyone knows collectively.

Gathering this data together creates an instant, easily accessed customer profile. Gender, age, and location. Extensive browsing and purchasing history, abandon-cart rates. Response rate to promotions and offers. Where they're more likely to purchase—on their phone, on their computer, or in person. Remember all the types of data companies can collect, then imagine the story they tell together.

Technology can take all this data from all your sources, then un-silo and unify it. Once that happens, you have a whole new way of being, collecting relevant data more intelligently and standardizing it for more efficient, effective use. Formats can be brought together. Suddenly, all the data that was hodge-podged across your business is useful for everyone in the company, everywhere.

The bottom line is, without a complete picture of your customers, you can't get results. With a single source of truth, your customers are no longer a mystery. Neither is what might motivate them. You know who they really are. And you're one step closer to picking the perfect present.



2. Making the most of audience segmentation.

All that customer data in one place is great, but how do you make use of it in specific moments? What does it tell you?

That's where an understanding of your audiences comes in. Segmentation allows you to identify subsets of customers by any range of criteria, then target your efforts based on that. They're insights that you can design for your specific needs, and then verify, edit, and share with other team members. The richer your data, the better your segmentation and the more successful your marketing efforts.

This is the key to creating personalized experiences that feel natural and real and get results. At the top level, you might understand their interests, shopping habits, and channel preferences. Segmentation lets you zoom in even further. Just as a gift-giver sorts through what they know about a recipient to find the best way to their heart, you have to sort and divide customer information to create an approach that will best reach their hearts...which are attached, of course, to their wallets.

Do you want a tech-savvy segment of early adopters? Do you want customers who shop mostly on their phones? What about stage of life? Would an offer appeal more to millennials growing their careers, or boomers shifting into retirement? Or maybe certain aspects of their personal life will give you the segment you want—single or married? Do they rent or own the place they live? Are they a car owner, and if so, are they the primary driver? Are they a parent? When is their birthday month?

You can dive deeper into their shopping habits so you know how best to reach them. Do they search for items on a shopping mission or impulsively click through an Instagram ad and purchase? How often do they buy, and how recent was their last order? Are they shopaholics or weekend spenders?

You can also get a good idea of how serious they might be about a potential purchase. How often do they visit your website? Do they look around or go straight to one category or item? Are they shopping your competitors? What's the average total in their shopping cart?

There are all sorts of ways to slice, dice, and recombine your data based on who you want to target. When you have a particular type of customer in mind, segmentation helps you find them. Subdividing data to know your customers better gets you closer and closer to that perfect present, an offer that's aimed directly at how they shop and designed around exactly what they're looking for.



3. Scaling your efforts and offers.

So far, we've talked about finding something special for someone. But you might have hundreds, thousands, or millions of customers. How do you scale up your efforts to create unique, personalized experiences for all of them... in real time...all the time?

In a recent Adobe report, 80% of B2C customers and 84% of B2B customers feel that personalization saves them time by making it easier to find information and settle decisions, so this has to be a cross-digital, company-wide endeavor—a way of doing business that's integrated into your everyday. And that might be your biggest challenge of all.

80%

of B2C customers

and

84%

of B2B customers

say personalization saves time by making it easier to find information and make decisions.

Source: Personalization at Scale: Bring Forth the Customer and Business Benefits of Experience Excellence, Forrester, commissioned by Adobe

Creating individualized journeys for large numbers of people is known as personalization at scale. It lets customers move seamlessly from one interaction to another as you make note of their decisions and preferences and create personalized experiences all along their journey.

“ Personalization drives performance and better customer outcomes. Companies that grow faster drive 40% more of their revenue from personalization than their slower-moving counterparts.

Source: McKinsey & Company

Bringing all of your customer and account data together on a single platform is the start of personalization at scale—the first step toward truly understanding your customers. Add artificial intelligence and machine learning, and you're that much closer to creating and delivering highly personal experiences.

Personalization at scale is also challenging simply because of, well, the scale. Marketing, creative, IT, and other teams must collaborate effectively to deliver the right content in the right format at the right time. From email campaigns and landing pages to pop-ups, social posts, push notifications, and more—at all hours, on all channels—your content framework must be on a single platform and on integrated software to make it all possible.

“ When you think about what matters to individuals, whether it's a product, service, content, or messaging, you soon realize that personalization—at our scale of hundreds of millions—is going to quickly overwhelm you. You need help from technology to orchestrate content and messaging to land with individuals in exactly the right moment and context.

Matt Harker

VP of Global Marketing Strategy and Transformation,
Walgreens Boots Alliance

4. Managing privacy and security concerns.

It's one thing when a friend uses their knowledge about you to select a gift. But imagine if they let those personal details slip to just anyone. Now more than ever, consumers are holding brands accountable for their privacy. In addition to expecting personalized experiences, consumers want their data to be protected and their permissions to be honored—no matter how complex this process is for the companies they do business with. These permissions must go beyond simple shopping and communication preferences. Consumers want transparency and choice on how their data is used, stored, and updated.

In the *2022 Adobe Trust Report*, 79% of consumers stated that they were concerned about how companies are using their data. 73% worried that the data brands collect will be used to benefit the brand and not them. Nearly a third of consumers reported that brands still make it too complicated to protect, understand, and choose how their data is being used. So, security concerns around data add more to your list of things that need careful managing.

5. Making the right offer at the right time—activation.

But even if you have rich, relevant information, a strong segmentation strategy at scale, and strict security measures, you can still see things go wrong. As in life, timing is everything with personalization. Delivering a coupon to a customer for an item they've recently purchased doesn't score you any points—in fact, just the opposite. It's worse than calling them by the wrong name—it's taunting them with something they want but can't have. There's a reason we don't send birthday gifts a week late (or to an old address) or tell people about the gifts we thought about getting them.

If your activation is off, everything about your personalization will be off. There are two aspects to activation—timing and channel.

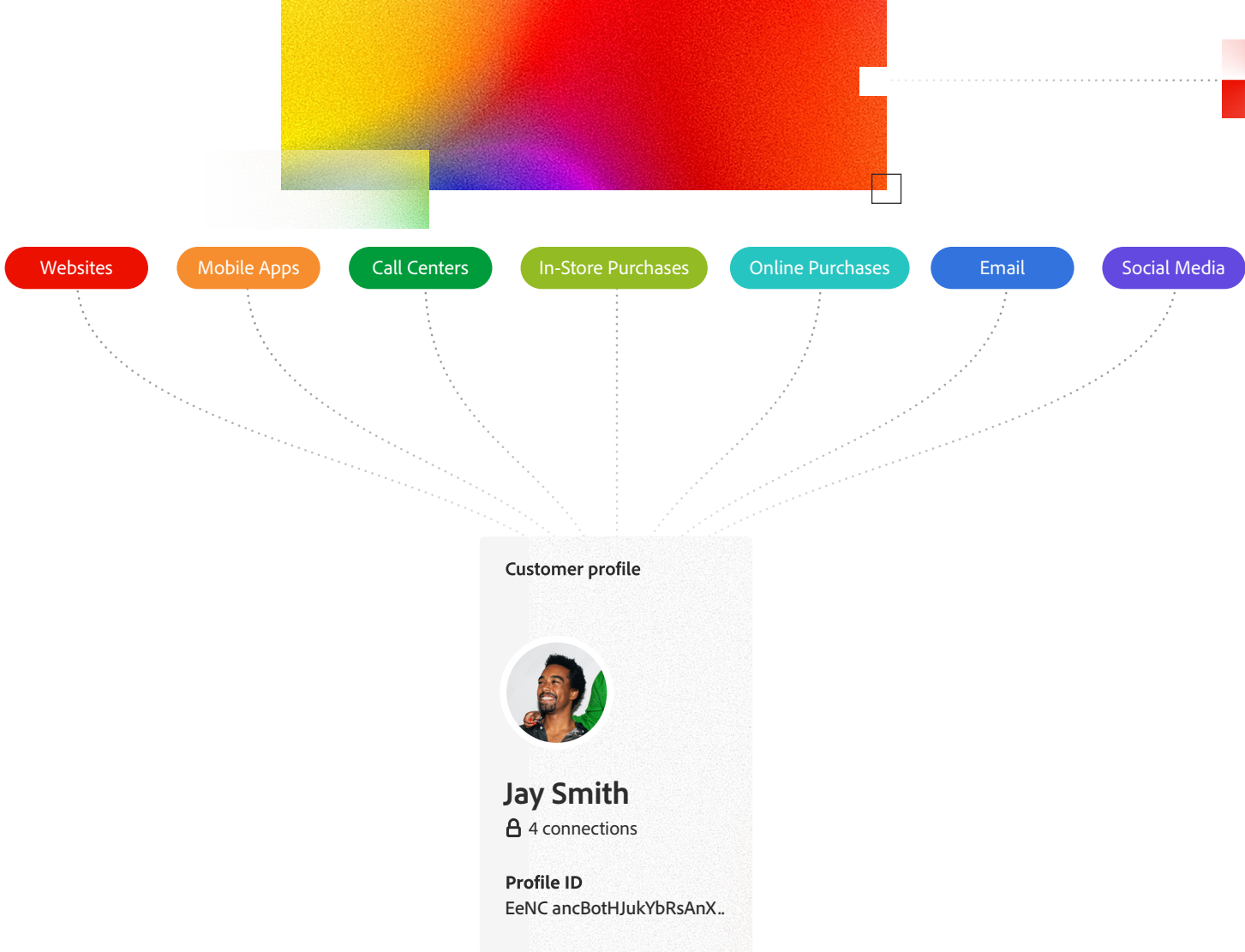
71%

of consumers say relevant content delivered at the right time and place boosts their trust.

Source: 2022 Adobe Trust Report

Activation timing refers to offers and notifications made in real time, right in the moment, which can take many forms. Customer searches can trigger promotional messages based on items they've just viewed but not placed in their carts, for example. When a traveler steps off a flight and their newly accrued mileage bumps them into a more elite frequent-flyer tier, a congratulatory message can go out. Customers who have your app (and who've allowed location tracking) can receive push notifications when they're near one of your stores. Or if weather data tells you a storm is brewing, you can send personalized messages to customers within the predicted storm track, offering related services or letting them know about products they might need.





By “channel,” we’re really talking about all your channels—websites, mobile apps, call centers, in-store purchases, online stores, email, social media, and others, depending on your type of business. When you’re not including all of your business’s channels in your personalization strategy, customers end up receiving a different experience at each touchpoint. Sometimes it feels like you know them, sometimes it...doesn't. An omnichannel approach means collecting customer data wherever they interact with you and using that to determine where you next reach out to them, activating personalized content across their experience and presenting your offer right where it will have the most impact.

Activation is the final challenge for personalization. When you’ve mastered the other challenges, getting activation right means your offer will have the best chance of success. That perfect present, that perfect offer, arrives in the right moment, at the right place, and aimed directly at how a customer shops and what they’re looking for.

You’ve got to nail every aspect of personalization, every time. When you get it right—like a perfect present—your customer feels valued. When you get it wrong—like a present they can’t wait to regift—it’s a jarring disconnect.

According to Adobe's 2022 *Digital Trends Report*, **50%** of senior executives are doubling down on their investments in platforms that will help make personalization possible at every step of omnichannel customer journeys. In the face of escalating competition, this is a wise and necessary move.

Source: *Getting Started with Personalization at Scale*, Adobe

“ Personalization campaigns are essentially won on the margins, where a few carefully selected data points will produce the conversion necessary to make a real impact on the business, it speaks to the high expectations of guests today, where every interaction needs to be relevant, simple, and engaging.

George Hanson

SVP and Chief Digital Officer,
Panera Bread

Reasons to get it right—the price of bad personalization.

That disconnect can be costly. Between friends, an offhand, poorly considered present could make them look at their relationship with you in a different light. The costs of getting personalization wrong in business are real and steep, especially in a marketplace where some companies are much further along in their personalization strategies than others.

1. Customers could lose their loyalty.

Today, brands must lay a consistent and contextual customer journey that is personalized and unique. Loyalty must be earned, and when competitor brands have the technology in place to know their customers better than you do—and demonstrate that with personalized content and offers at just the right level of interaction—it's a no-brainer that your customers are going to jump ship. Having your personalization act together is a pull. Not having it together is a push.

But even for those of your customers who stick around, you might not have the hold on them that you're used to. They might put up with your birthday wishes arriving in the wrong month, but you can bet they noticed and are shopping around. And in the process, they're getting a feel for what it's like to shop where they feel seen and valued.

2. Customers might feel they can't trust you.

The ambivalent feelings of those who stick with you is really a loss of their trust. Without personalization in place, you're serving your customers generic or pointless content and offers, which register as impersonal and time-wasting. And if you've been collecting lots of data points but don't have the ability to synch and share them, then what you do can feel intrusive and unsettling rather than personally welcoming.

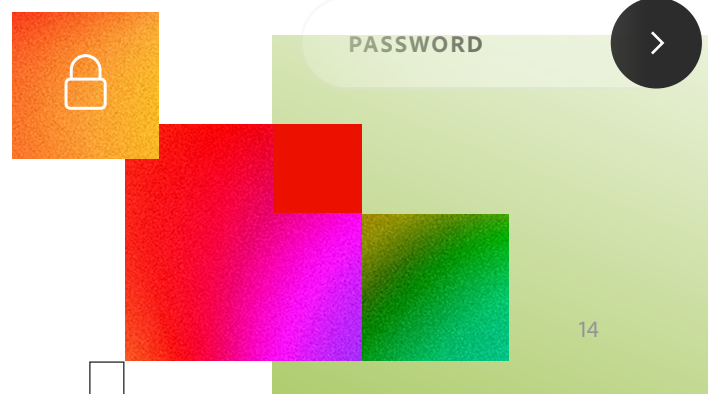
72%

of consumers lose trust in brands with poorly executed personalization.

Source: 2022 Adobe Trust Report

Instead of wrapping up a perfect gift for each customer, you come across as detached or scattershot in your approach, which never feels genuine or friendly. In fact, according to new data from the *2022 Adobe Trust Report*, 72% of consumers say that poor personalization execution, like sending irrelevant information, ignoring their preferences, or knowing too much, reduces their trust in brands—with more than 33% saying that trust is significantly damaged.

Every interaction, then, is a moment to build or break customer trust, so personalization and trust must be considered hand in hand.



3. The impact—and price—of privacy regulation.

Looming over all of this is the law. In recent years, the rules around companies using private data for personalized content marketing have grown, along with fines for violating them. In 2018, General Data Protection Regulation (GDPR) went into effect in Europe, marking the first broad attempt to regulate marketing, advertising, and sales operations using personal information. In essence, it established individual rights around how companies can use citizens' information—including a person's right to limit the use of their data.

The emergence of laws like GDPR and CCPA (California Consumer Privacy Act) reflects a desire by regulators to give more control to consumers over how their data is used and shared. Not only is the loss of consumer trust a risk to the bottom line via fines from regulators, but the loss of market share coupled with negative press related to data breaches can be damaging.

Showing consumers that you care about their data means understanding and implementing the most critical strategies for protecting this information. The end goal is always the same—that you honor consumer requests, responsibly manage the data they provide to you, and protect the systems where that data is stored.

As you can see, going it alone and trying to make sense of your data incrementally, silo to silo, is inefficient and risky. It can result in more than just missed connections between brand and customer—it can get you in real trouble. But for all the challenges to personalization, there are answers. As customers have come to expect an experience created just for them when they interact with companies, technology has evolved to help you achieve that.

Today, central data systems offer easy access to various members of an organization and can run data queries without IT assistance. Because all available data is housed in one place, it can be analyzed quickly and thoroughly. Then the technology guides how best to use that data in appealing to customers. Adobe Experience Platform is an example of this technology.



Using customer data to personalize the customer experience in an elevated way.

Dial up the customer experience.

Adding a customer experience layer like this to your company's cloud infrastructure investment is the secret to personalization success. Ideally, this consists of three interconnected systems: a system of data, a system of insights, and a system of engagement. Together, these synthesize and interpret your data, empowering your teams to know, understand, and intelligently engage with your customers in real time. Like a super-powered professional gift shopper, they replace confusion and tired solutions with smart approaches and bespoke ideas—integrating customer knowledge with marketing expertise to deliver the perfect present to every one of your consumers.

Let's look at a few examples of how a system like this could put a fresh spin on your personalized campaign efforts and give your customers all sorts of reasons to stick with you—and better yet, to love you.

56%

of consumers say they're more likely to trust brands that use technology to deliver personalized experiences.

Source: 2022 Adobe Trust Report



WELCOME BACK

Re-engagement—going beyond reminding.

For customers who have stopped just short of making a purchase, as when they leave an item in their shopping cart, personalization technology uses intelligence and empathy to create experiences rather than nagging reminders. After all, most abandoned-cart campaigns only account for that one event and bombard customers with the same “forget something?” message over and over and over. It’s a one-size-fits-all approach that can be annoying or even irrelevant based on other actions they’ve taken.

77%

of Gen Z and millennial consumers say relevant, personalized content increases their trust.

29%

say it increases their trust “a lot.”

Source: 2022 Adobe Trust Report

Looking at the situation from the perspective of personalization, asking “Did you forget something?” considers only what the person did—not who they are. You have no idea if they ended up purchasing the item, say, offline or through a different channel. Without going beyond that one question, you miss how to create a more relevant or effective offer or journey. The poorly retargeted customer just rolls their eyes and hits “delete.”

The right technology lets you re-engage intelligently by accounting for all of the customer’s attributes and behaviors—all that data you’ve been collecting. And it factors in real-time considerations so you’re reaching them in the right moment. For example, if in the past this customer usually only purchased when they had an offer, you can wait to re-engage with them once the item’s price drops. Or you could opt to offer a personalized promotion. If the item was out of stock—or is now back in stock—you can wait or re-engage based on inventory. And if they later showed interest in a different product, you could update the messaging or offer to reflect their change in taste.

These are just a few examples of how software like that available on Adobe Experience Platform can help you create compelling, personalized experiences by factoring all of a customer’s relevant behaviors and attributes—not just the abandoned-purchase event at hand.

“ Not only are customers benefitting from streamlined, personalized experiences, but with [Adobe] Real-Time Customer Data Platform, The Home Depot can now act on insights across channels to provide customers with deals, relevant messaging, and inspiration for their projects.

Ranjeet Bhosale

Vice President of Customer Marketing and Operations,
The Home Depot

Customer churn—wake up before they go-go.

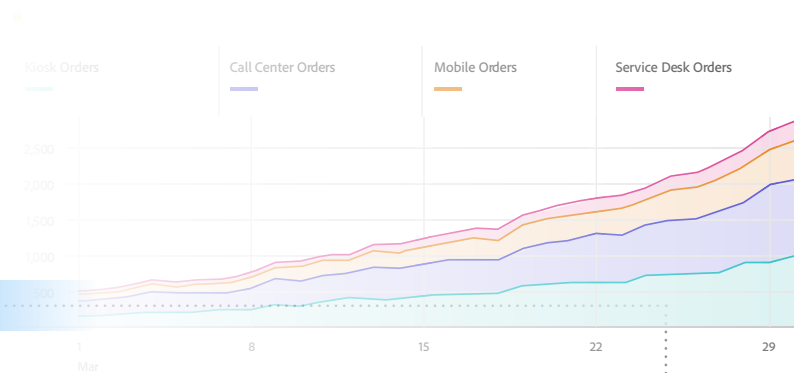
When it comes to customer churn, the goal is to keep customers loyal rather than having to ever win them back—a task that can be much more difficult. But typical efforts to retain customers are usually too little, too late. Most companies set simplistic rules around timing the launch of a “win-back” campaign—six months without a purchase, for example—but by then there’s a high chance the customer has already switched brands. In reality, there were earlier signs that that customer was losing interest, but because they weren’t obvious, they were likely overlooked.

Software like Experience Platform uses artificial intelligence and machine learning to deeply understand customer behavior and sentiments, spotting risk signals as they occur. It knows the subtle tells that can signal a customer about to churn, so it helps you create proactive campaigns to address their specific, individual needs and wants. You can spot the signs, build a plan, and strengthen the relationship before it’s too late.

69%

of consumers say brands can begin to regain lost trust by providing personal experiences.

Source: 2022 Adobe Trust Report



Upsell or cross-sell—boost your powers of persuasion.

What about when you want to upsell or cross-sell to a customer? Most of these campaigns view the customer narrowly, looking only at their recent purchases for an approach. That leads to campaigns that focus on making the next sale (brand focus) rather than on nurturing a loyal, longtime client (customer focus).

The right software platform re-balances things to put the customer first, accounting for all their relevant data to create offers that turn a one-time customer into a brand groupie. One way it does this is to really understand what was behind that initial purchase. Is it meeting the customer's needs? Do they feel they're getting value? Are there unresolved issues to be addressed before any future offers are made?

By looking at transactions, yes, but also at all data—including cross-channel behavior, attributes, and preferences—this sort of personalization platform helps you build more valuable offers and create more genuine brand journeys that meet customer needs as they grow customer loyalty.

In all three of these best-practice examples, the customer experience platform efficiently manages the burden of collecting, sorting, and synthesizing customer data, freeing IT staff to handle more pressing needs. And it creates thoughtful, engaging approaches to customers based on those insights.

Engagement based on
personal insights:

2.2x

email open rate

3.1x

repeat visitors

Source: Forrester

“ We use Adobe Real-Time CDP to gain insights across channels to help us create unique and relevant audiences.

Steve Miller

SVP of Strategy, Ecommerce, and Analytics,
DICK'S Sporting Goods

The bottom line about your bottom line.

As we've noted, many companies have adjusted to personalization incrementally, building solutions from scratch and doing their best to make disconnected elements of their customer experience tech stack work together.



Trust and privacy

This means ensuring data privacy, security, and governance, but also with strategies designed to build trust.



Personalization without cookies

Third-party cookies are going away, but personalization is here to stay. So data must work together, enriched from multiple sources, organized through improved segmentation, and personalized through machine learning and AI-driven insights.



The importance of real-time data

Both collecting and implementing it in real time.

That used to be the only way. Now that's just the hard way. As you've seen in our walk through the world of personalized offers, individual customer experiences are critical to business success today.

Adobe believes these are core considerations in customer data management, so much so that we have intentionally designed and built from the ground up a leading data management platform as the foundation for personalizing your marketing without sacrificing customer data privacy.

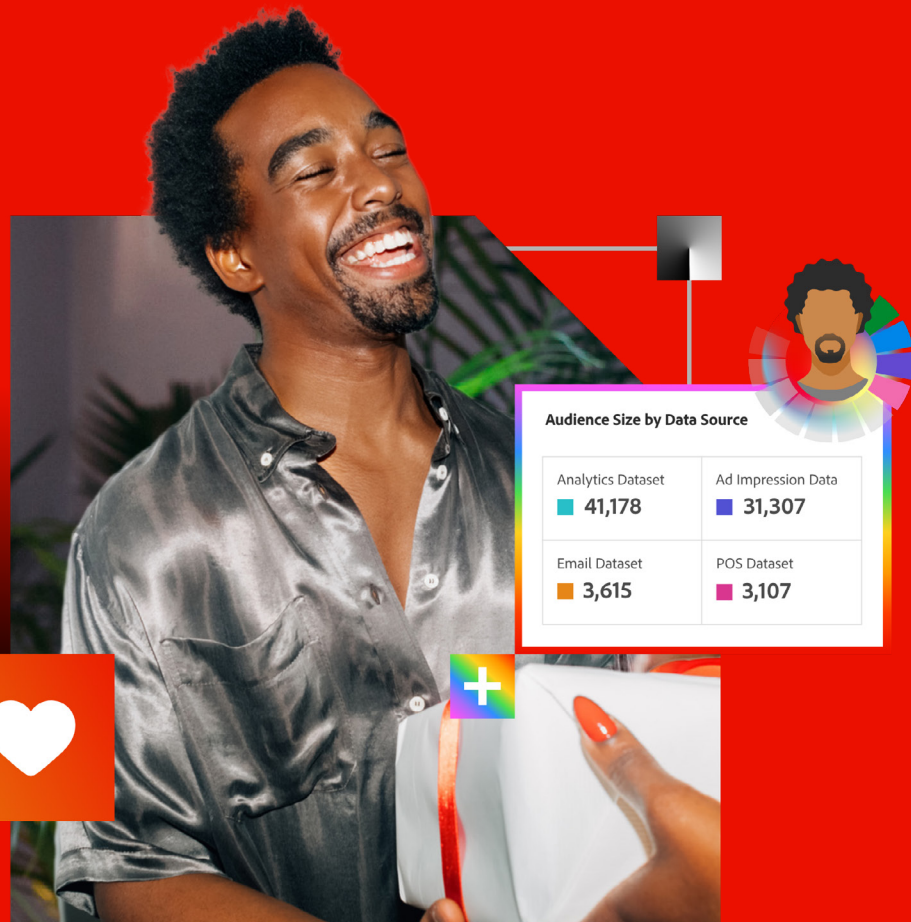
We can help your brand unlock personalized insights in a fraction of the time with ease.



Meet the platform behind perfect personalization.

Adobe provides the right foundation to build personalization campaigns that deliver better results. Our products work together, driving continuous insights and real-time interactions so you can connect, convert, and keep customers, no matter how big you plan to grow. Because our tools allow you to extract relevant insights instantly and build a deep understanding of your customers and their needs in the moment, you'll be able to deliver engaging, high-impact customer experiences at the right time on the right channel.

Learn more about how [Adobe drives continuous insights and real-time engagement to deliver personalization at scale.](#)



Sources

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