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Driving Value with Advanced Personalization



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For the modern marketer, personalization is key to developing sustaining customer relationships, brand loyalty, and financial strength.

In **The Value of Personalization Optimization for Retailers**, Liveclicker and The Relevancy Group examine the current state of personalization at digital commerce companies. The result? We find an ROI of up to 2,000% for successful personalization initiatives.

The report examines:

- ◆ The specific tactics retailers use most
- ◆ The tactics most likely to make an impact
- ◆ How retailers budget for personalization
- ◆ Significant challenges to effective personalization
- ◆ Personalization in the age of Amazon

The deep dive that follows analyzes the specific personalization tactics likely to bring marketers the most value for their investment.

Return on Investment:

More than

2,000%

Personalization may have started with that perfect store associate that knows a customer's every need, but now it's digitally-driven, too.

It's about using the latest technology to create rich, relevant experiences online. Nearly every digital marketer is implementing some form of personalization. The catch is that most marketers still aren't sure exactly which tactics work best. And when they want to try a new approach to personalization, they're likely to hear the question that accompanies any new investment: What's the ROI on this?

In 2019, Liveclicker, for the third year in a row, asked researchers The Relevancy Group to take a deep dive into the state of online personalization in ecommerce and retail categories. That report generated valuable insights about how marketers are using personalization—the tactics, the successes, the challenges, and even the budgets.

The result: For the first time, we really can answer that all-important question: What's the ROI on personalization? The numbers will make every modern marketer take notice: Marketers who invest in advanced personalization can realize more than \$20 in return for each dollar invested.

The key here lies in the word “advanced.”

Basic personalization, such as adding first names to emails and personalizing subject lines, are now so common that they’re really table stakes. They’re not impressing customers – although consumers may well notice if they’re missing – and they’re not driving results. They’ll become even less impressive as technology continues to advance.

If your organization is new to personalization, you may need to start with some of these foundational building blocks. But to see dramatic ROIs, it’s

imperative that marketers adopt the more advanced tactics. In this paper, we’ll show which tactics are most powerful, and we’ll highlight the retailers who are racking up impressive successes in leveraging them.

No matter which tactics hold the most appeal for your organization, we hope you’ll test, test, test – to drive the highest possible ROI, and the highest-possible customer loyalty and engagement.



PERSONALIZATION BASICS

First Name
Subject Line



ADVANCED TACTICS

Rendering Offers at Open Time
Live Inventory Data
Stream-based Click Data
Real-time Data
Rules Based Personalization



CONTINUALLY TEST

to Drive Highest ROI
Engagement
Customer Loyalty

Moving Beyond Basic Personalization

The Relevancy Group found that eighty-six percent of retail and ecommerce brands use some form of personalization.

That's wise: When asked, "What do you like best about the email marketing offers you receive from retailers?" the top answer, chosen by 55 percent of respondents, was, "it includes products that are relevant to me."

Irrelevant email won't engage customers, and can easily contribute to churn. Half of customers say they will opt out if email is irrelevant, and 64 percent say they'll opt out if a brand emails them too frequently.

That means retailers need to get the richest, most relevant experiences out of every single email. But the techniques that are most commonly used to achieve that are also, unfortunately, some of the least powerful. That's understandable, because personalization is a journey. Like any other journey, it has to start somewhere. But to get the most value from your personalization efforts, you've also got to keep moving.

Most marketers are using basic personalization:

86% said they use first names in emails

72% personalize subject lines

A significant number are a little higher up the learning curve: they're personalizing based on purchasing behavior.

66% use dynamic copy in the body of emails

63% target based on past purchases

Far fewer are using advanced personalization:

55% render offers at the time of open

51% make offers based on inventory data

48% make offers based on real-time data

44% use rules-based personalization

Chico's: Increasing Revenues With Innovative Landing Pages

Chico's, a retailer of women's clothing with more than 600 boutiques nationwide, is also seeing tremendous value from advanced personalization.

In 2018, Chico's was looking for a better way to promote its higher-end Black Label collection. The collection appeared prominently in promotional emails – but it wasn't clear just where the link out of the email should lead.

Obviously, linking to Chico's home page would frustrate customers, who would then have to navigate to the Black Label collection. Chico's tested two other options:

- ◆ **A product page.** The page would show a product that, given the customer's history, she would likely find attractive
- ◆ **A collection page.** This page would be generated by LiveScrape, which would populate the page in real time by dynamically pulling in images of new product arrivals



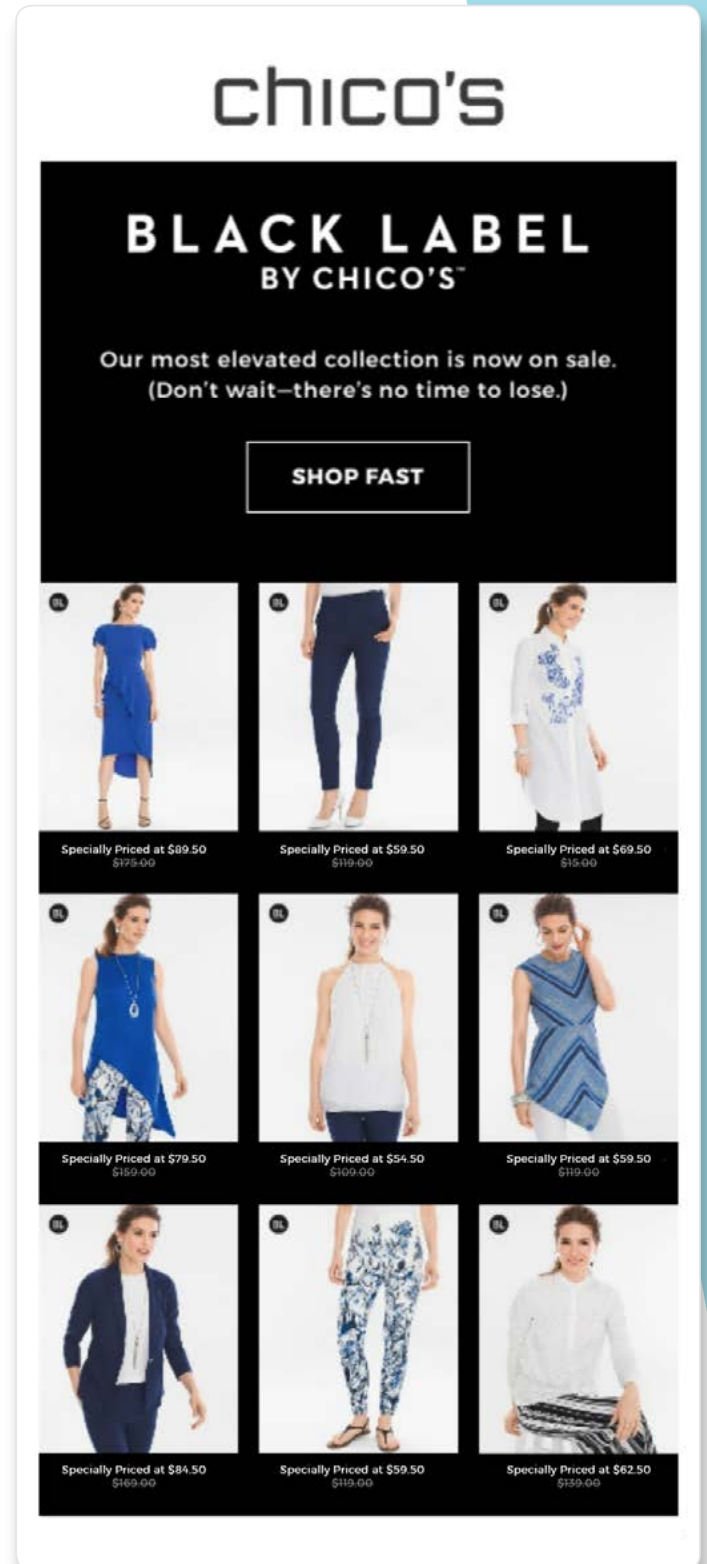
Chico's: Increasing Revenues With Innovative Landing Pages

Half of opens were directed to the collection page, and half of opens were driven to product pages for individual products. Chico's pulled results over a five-month period, and dove into conversions for each version of the test.

The result: the collection pages were clearly more persuasive to customers. In eight out of nine scrapes, they yielded double-digit revenue increases.

Roughly the same number of customers made an order, regardless of which page they initially landed on. But the average order values were dramatically different. It seems that when customers were shown only one item, they weren't necessarily enticed to explore the site further. But when they saw a collection of items, a good number of customers discovered – and purchased – items that didn't initially interest them, resulting in a double-digit lift in average order values and an improvement in orders placed overall.

Chico's was able to get dramatic value from their advanced personalization efforts by finding the tactic that was most likely to connect with their customers. By using the techniques outlined in this report and others in this series, we're ready to help you do the same for your customers and your brand.





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See how Liveclicker can bring advanced personalization tactics to your brand:

- ◆ Fast Ramp Up
- ◆ Easy Integration
- ◆ Proven Results

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