

# Overcoming Challenges to Advanced Personalization



A close-up photograph of a young woman with dark hair, smiling warmly at the camera. She is wearing a white button-down shirt with small black polka dots. Her hands are visible at the bottom, holding a silver smartphone. The background is blurred, suggesting an indoor setting.

# Overcoming Challenges to Advanced Personalization

For the modern marketer, personalization is key to developing meaningful 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 more than \$20 for each dollar invested.

**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 illustrates how marketers are overcoming both real and perceived challenges to using powerful advanced personalization tools.

# Why Advanced Personalization Matters

One dollar invested in advanced personalization can bring more than a 20-fold return on investment, according to a new study by The Relevancy Group.

Yet only 51% of marketers say they are using even the most popular advanced personalization techniques, such as personalization based on real-time data and rules-based personalization. Just 48% are using personalization in their retargeting efforts.

What's the hold up? The Relevancy Group surveyed 401 marketers across a wide variety of retail sectors to determine exactly how brands are using personalization, what sort of results they're seeing and, of course, what the challenges are to implementing advanced personalization technology. These marketers' top challenges will sound familiar to anyone with experience

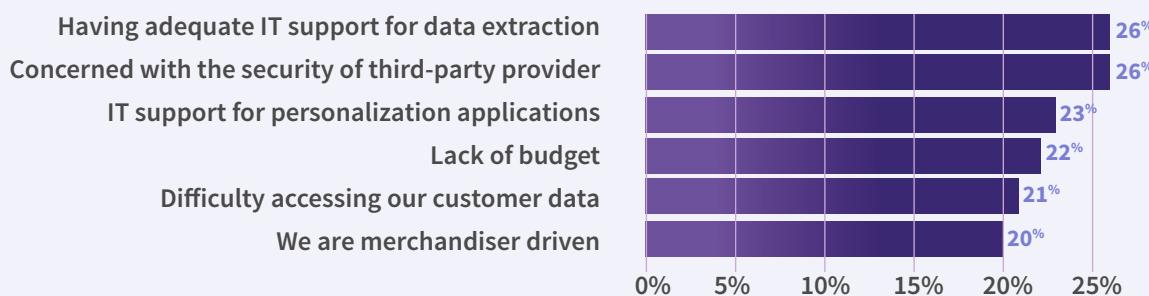
championing an IT initiative – even one with proven ROI – throughout a marketing organization.

But The Relevancy Group also found that these challenges are generally less severe than marketers perceive them to be. They're often relatively easy to overcome. In some instances, they no longer exist at all.

The biggest hurdle cited by marketers was the need for support from their information technology team for data extraction, with 26% calling this out as a challenge. That tied with data security concerns, also at 26%. Some 23% were concerned with getting IT support for personalization applications. Budget was a concern for 22% percent of marketers.

Another common perceived hurdle is one that is more particular to personalization technology: 20 percent of marketers said they are merchandiser-driven, and therefore not ready to incorporate algorithmic recommendations.

## Challenges Preventing Personalization Adoption in Retail



## Overcoming Challenges to Advanced Personalization



# Why do marketers cite these particular hurdles?

Modern personalization technology addressed the challenges most-often cited by marketers.

## Lack of IT support

It's not surprising that so many marketers would cite a lack of IT support as a barrier to adopting advanced personalization technologies. Some technology is designed to be used in partnership with an IT professional or to be channeled through a business analytics group. But other providers understand that marketers need to be able to extract data on their own. Otherwise, it's extremely difficult to implement the iterative cycles of testing and learning that can dramatically increase the effectiveness of personalization.

Some advanced personalization solutions are relatively easy to implement and often do not require significant IT support. Marketers who haven't recently vetted personalization technology may find that the field has changed significantly.

## Budget

The Relevancy Group found that, on average, retailers are budgeting \$901,400 annually for personalization technology. But there are powerful advanced personalization tools that cost much less, says The Relevancy Group, and deliver "fantastic" revenue upside.

There's lots of evidence that marketers are embracing these less expensive, cost-effective tools. Only 19 percent of marketers say their organization is budgeting more than 1 million for personalization technology. But many are

budgeting far less: 33 percent say they are budgeting less than \$400,000 annually for personalization technology.

There are plenty of ways to keep costs down. First, in evaluating technology providers, keep the integration process – and the time required for it – top of mind. Look for vendors that can integrate with your inventory and customer relationship management systems via site tags, site scripts, and open API standards. Many vendors also have partnerships with email services platforms and that can make the integration process faster, easier, and less expensive.

### Security and data sharing

Security and data sharing remains a worry for many brands. That's understandable given the near-constant news about phishing attacks and data breaches. But adopting personalization technology is unlikely to add to that risk. In fact, The Relevancy Group calls concerns about sharing data with a third-party personalization provider "unfounded." Instead, today's personalization technology, delivered as software-as-a-service, is robust and takes full advantage of proper security and encryption protocols. It allows

marketers to leverage existing information, already in their email services platforms, to create an enriched personalized experience.

"Because of the way Liveclicker is set up, we are able to implement enhanced personalization without having to share data about our customers. It's given us the opportunity to efficiently send more engaging, relevant emails," says Brianna Perry, Marketing Manager at Mixbook, which makes it easy for customers to create albums, photo cards, and other products using its online scrapbooking software.

### Merchandiser priorities

Some 20 percent of retailers say their marketing is merchandiser-driven. This is most likely to be the case in the apparel sector. At first glance, this seems like a real and significant hurdle--but it doesn't have to be a deal-breaker. Today's personalization technology can allow merchandisers to favor particular items. Perhaps most important, marketers can now use personalization technology to optimize the promotion of existing inventory and merchandiser assortments.

**"Because of the way Liveclicker is set up, we are able to implement enhanced personalization without having to share data about our customers"**

— Brianna Perry, Marketing Manager, Mixbook

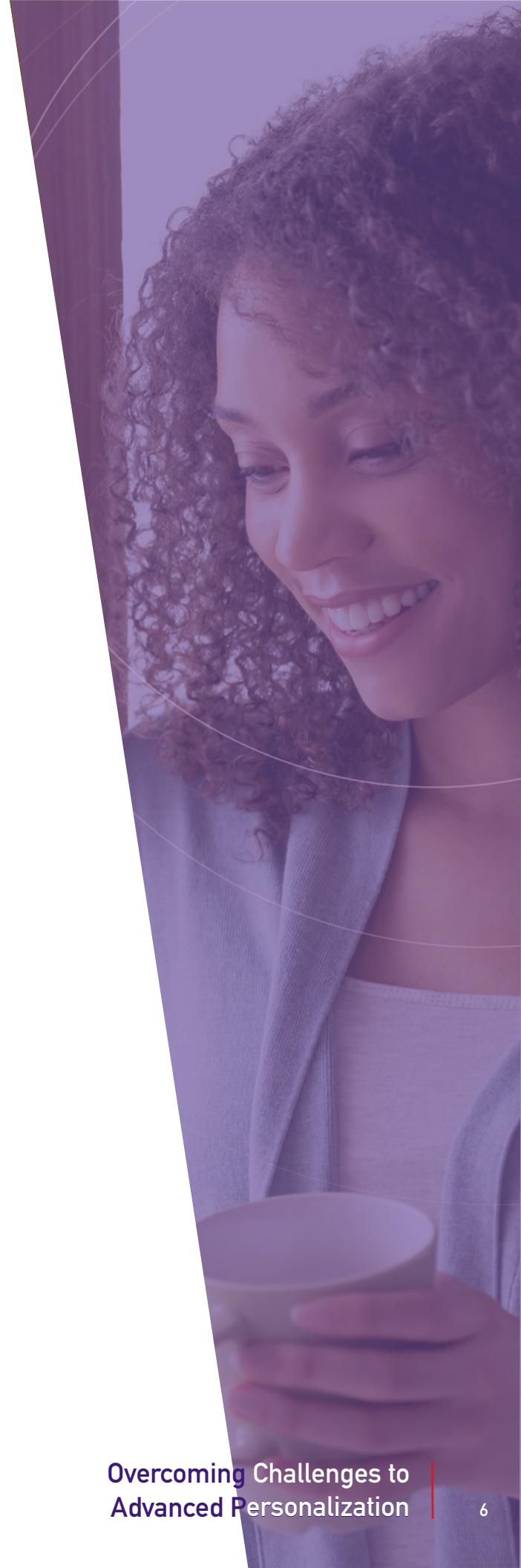
---

# Dunhill Uses Advanced Personalization to Promote Fashion Week Excitement

British luxury brand Dunhill was looking for a way to generate higher levels of interest around an upcoming appearance at Fashion Week, in Paris.

Dunhill participates in the prestigious Men's Fashion Show, and was looking for the best way to let the world know about its runway show and share in the excitement.

Dunhill saw email with live-streaming video as an ideal way to accomplish this. But they were concerned that their big bold campaign ideas would require technology that they couldn't implement. Dunhill didn't have any in-house developers with expertise in this area.



Overcoming Challenges to Advanced Personalization

## Dunhill Uses Advanced Personalization to Promote Fashion Week Excitement

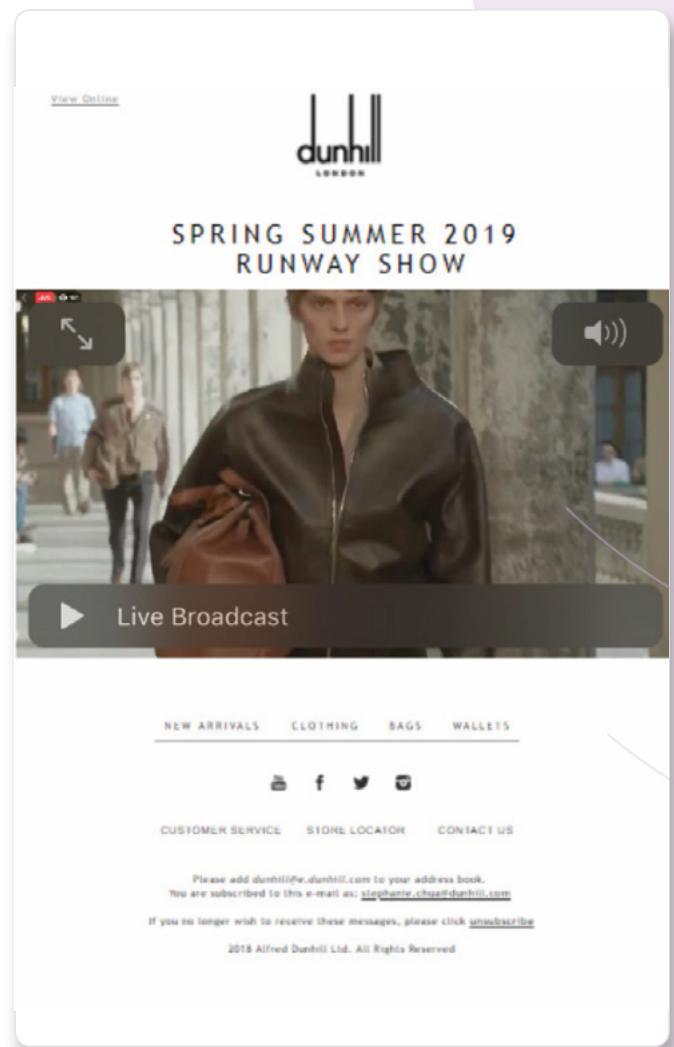
**“The effort required to produce the campaign was minimal, but the results were significant.”**

-Stephanie Chua, Global E-CRM Manager, Dunhill

Liveclicker and Dunhill brainstormed together to develop compelling campaign ideas. They settled on a highly engaging three-touch campaign that could be put together without any additional tech resources.

- ◆ The first email highlighted a trailer video to get users excited about Paris Fashion Week, and to promote Dunhill's participation in the show.
- ◆ A second email featured a countdown timer, set to 15 minutes before the live show. It let recipients know a live-stream would be available as soon as the show began. Once the show began, the livestream replaced the timer.
- ◆ The third email contained a recording of the livestream, as well as images of specific products. It encouraged users to click through for more highlights of the show.

While the campaign was intended to enhance Dunhill's overall brand, it also delivered some impressive quantifiable results. “The effort required to produce the campaign was minimal, but the results were significant,” said one Dunhill executive. How significant? The brand saw a 17 percent increase in unique clicks over an earlier show-promotion campaign. Total reach increased 35 percent, and unsubscribes dropped 51 percent.



---

# Personalization at Hot Topic Solves Inventory Problems

Merchandisers, understandably, often see themselves as being in conflict with personalization technology. It doesn't have to be that way. In fact, the thoughtful use of personalization can help solve inventory issues that cause customer complaints.

Hot Topic is a case in point. The company uses email to promote new products as soon as they arrive, but in-demand items are often sold out by the time some customers open their email. That leads to disappointment on the part of customers and a lost opportunity for Hot Topic.



## Personalization at Hot Topic Solves Inventory Problems

To solve this problem, Hot Topic started using dynamic content fields in its emails. When a customer opens an email, they see a message that changes based on available inventory. The message might say, "Now available online and in-store!" or "Now available in-store." If the item is available only in-store, the customer would be encouraged to check back that evening for online availability. If it's available only online, the customer can click through to see if a local Hot Topic has the item in-stock. Email open duration doubled after Hot Topic started featuring this dynamic content, and clicks increased 20%. Best, Hot Topic was able to almost completely eliminate complaints related to this issue.

**"The best part about using Liveclicker for these campaigns is that it solved for an ongoing problem affecting both customers and the business."**

-Faith Bukauskas, Senior Email Marketing Analyst, Hot Topic

These brands, and others, are using state-of-the-art personalization technology that allows them to overcome the challenges sometimes associated with such powerful tools. With advanced personalization, these brands are generating the superior customer experiences that create the foundation of sustained financial health.



Overcoming Challenges to Advanced Personalization



# Overcoming Challenges to Advanced Personalization

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

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

[Request a Demo](#)