Using Personalization to Win in the Age of Amazon
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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 more than $20 for each dollar invested in 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 examines the specific personalization tactics that marketers are using to differentiate themselves from one of their most fearsome competitors — Amazon.
Amazon has completely upended the retail landscape. No retailer can escape its influence—but they can find new ways to compete.

For retailers, Amazon is the ultimate frenemy. While many brands choose to partner with Amazon, they do so warily, aware that Amazon’s heft and reach makes almost any partnership inherently unequal. And Amazon’s share of online commerce is only growing: Last year, Amazon’s net sales grew by 31 percent, and sales for its very own homegrown holiday, Prime Day, totaled more than $4 billion in a single day. Amazon captured nearly half of every dollar spent online during the 2018 holiday season.

To better understand how retail brands are differentiating themselves in the age of Amazon, Liveclicker asked The Relevancy Group to survey 401 marketers, in verticals as diverse as apparel, gardening, and media, about their relationship with Amazon and the tactics they rely on for differentiation.

The Relevancy Group found that 40% of retailers see Amazon as a competitor, while another 18% have a more dire outlook: they see Amazon as a threat to their vertical and/or business. Twenty-five percent say Amazon is either a necessary sales channel or partner.
How then, can brands compete with a giant of Amazon’s size?

The number one answer, according to The Relevancy Group: 52% of retailers say that delivering more relevant and enriching customer experiences are the primary ways they can compete with Amazon. And the principal way they plan to do this is by adopting advanced personalization tactics.

That’s a smart strategy. While Amazon is leveraging its huge resources to re-engineer everything from grocery to overnight shipping, it hasn’t recently shown dramatic advances in personalization, and not in advanced personalization technologies. The Amazon customer experience, while efficient, is certainly not delightful. Finding the best product for a particular need is made difficult by Amazon’s vast catalog, and trickier still because of the growing problem of fake and paid reviews.

In addition to the general desire to offer a more relevant and enriching customer experience, some 37% of marketers say they are competing with Amazon specifically by offering “better personalized recommendations.” That’s easier than it might sound. Many people still think of Amazon as a leader in personalization because of its early adoption of collaborative filtering – those recommendations, nearly ubiquitous across the web, that begin, “People who bought your item also bought…”

Those recommendations are ubiquitous partly because they work. But at this point, they hardly qualify as advanced personalization techniques, leaving plenty of room for enterprising marketers to deliver superior recommendations and customer experiences.

What might those look like? These three retailers show the way forward.
Ulta Beauty Personalizes Its Rewards Program At Scale

Ulta uses advanced tools to help every member of its loyalty program feel recognized and valued

Ulta Beauty is the largest beauty retailer in the U.S., with more than 1,000 stores across all 50 states. It’s the premier beauty destination for cosmetics, fragrance, and skin and haircare products.

Like many large retailers, Ulta found its scale to be both an advantage and a hurdle. Ulta could identify and service its top tier of rewards members fairly well, giving them insight into points earned and products purchased during the past month. But the manual effort required meant that Ulta couldn’t provide a similar level of personalization for every loyalty member. Without that personalization, Ulta faced an extra barrier in making sure those customers were as engaged and active as possible.
To create meaningful personalization at scale, Ulta partnered with Liveclicker. The goal: to create fun, engaging, and personalized email that all of Ulta’s rewards members would love. For each customer, the email included personalized shopping patterns, savings, store visits, and points earned. Ulta even used some creative animation to further engage customers.

The resulting email was so successful that it created a positive halo effect around Ulta’s entire email program. The personalized email generated three times the revenue of a generic ‘business as usual’ email. It generated a 7.4% unique click-through rate, and an engagement rate of 22%. “The highly personalized unique experience… encouraged guests to stay connected to the program, as well as strive to reach the next loyalty tier,” says Tina Barnes Kaufman, Email Marketing Manager, Ulta Beauty.

3x
Revenue boost compared to standard email

22%
Engagement rate

7.4%
Unique click-thru rate
Clothing retailer keeps customers intrigued — and purchasing — during three-part promotion

Chico’s sought to implement a new rotating promotion called “Three deals, one day.” But they weren’t sure how to keep customers engaged throughout the day, and how best to present each deal. The answer: Chico’s used real-time email to unveil each new deal as it became available.
The initial version of the email to a customer would show the first deal. The other two deals remained hidden in the email, but customers knew they were there. That kept them eager to see the next deal. The email let customers know that a new deal would be introduced later, in the same email, and then a third email after that. Customers could click on a “remind me” link so that they didn’t miss the subsequent deals. Overall, the creative changed four times during the day – once for each deal, and when all three deals were available, customers would see a generic “three deals, one day” offer.

The “remind me” link turned out to be brilliant. Shoppers who opted into the reminders had a 92.3 percent click-through rate for the updated emails. And overall, the real-time email strategy doubled conversion rates.

92.3% Click-through rate for updated emails

2x Lift in conversion rates
Creative Personalization Drives Results at Trendyol

Personalized email drives creativity, and results, at fast-moving mobile retailer

Fashion is an incredibly crowded, fast-moving category—and Turkey’s Trendyol, the largest and fastest-growing mobile fashion company in the Middle East and North America, is determined to stay ahead of the curve. “New trends come in not just from big fashion houses, but from social media influencers as well. To give our customers the best online experience, we have to stay ahead of the trends and keep them inspired with highly personalized communications,” says Erdem Inan, Trendyol’s CMO.

Trendyol partnered with Liveclicker to create innovative, eye-catching emails that would play well on mobile – the channel that is responsible for some 70% of Trendyol’s sales.
Trendyol experimented with a number of creative executions to pique its customers’ interest:

- An offer for a football jersey with the customer’s name on the back
- A countdown to the start of summer, to encourage shopping for new summer fashions
- An email with a video to promote the launch of new major brands
- A winback email that revealed a special offer

While each of these tactics encouraged customer engagement, the campaign that featured the customer’s name on the jersey was most impressive. It generated a 30% lift in click-through rates, a 62% increase in response rates, and a powerful 130% lift in conversion rates. Those represent all-time highs for Trendyol – a significant win for both the company and its customers.
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See how RealTime Email can bring advanced personalization tactics to your brand:
- Fast Ramp Up
- Easy Integration
- Proven Results

Request a Demo