MAKING IT PERSONAL

Why brands must move from communication to conversation for greater personalization.

Pulse Check 2018

Accenture Interactive

2018 PERSONALIZATION PULSE CHECK

In last year's Personalization Pulse Check report, we shared with you that businesses' number one challenge in meeting consumer needs was learning how to uniquely serve everyone without overwhelming anyone.

We called it the "burden of choice." Even with all kinds of data and technologies at their disposal, businesses still struggle to create personalized experiences that will not drown their customers in too many options. The endless aisle sounds great until you are the one having to walk down it. Overwhelmed by choices, consumers are more likely to make poor decisions, be less satisfied, and abandon a website or brand altogether.

The catch is how to get there. Businesses need to humanize the digital experience by moving from marketing communications to digital conversations.

This year, we wanted to determine whether or not businesses had improved its customer experiences, and also understand how consumer expectations for personalization are evolving.

We surveyed 8,000 consumers from countries across the globe to find answers to a few critical questions:

Q1. **How do consumers think businesses are doing when it comes to personalization?**

Q2. **Have consumers' expectations for personalized experiences changed?**

Q3. **What is the "next evolution" in world-class personalization?**

Unfortunately, the data showed that the burden of choice problem didn't fare any better—in fact experiences have gotten significantly worse. Consumers are leaving brand websites and making purchases elsewhere at a higher rate than a year ago because expectations are growing faster than the experiences are evolving.

But here's the good news: We uncovered exactly what consumers prefer when it comes to personalization. Instead of businesses defining their journeys, consumers want brands to design experiences that help them create their own.

EXPECTATIONS ARE OUTPACING EFFORTS TO BE PERSONAL

Consumers feel that digital experiences have fallen short of expectations, yet they're more likely to shop with a brand that treats them in a personal manner.

Personalization has become the priority for nearly all businesses. As competition increases, businesses face even more pressure to create personally curated experiences that drive consumer engagement and differentiation in the market. But in the eyes of consumers, its efforts have fallen short of expectations.

The survey found that nearly half (48 percent) of all consumers have left a business's website and made a purchase on another site or in-store simply because it was poorly curated. This statistic has increased in every region surveyed last year, indicating that digital experiences are trending in the wrong direction.

Despite expectations outpacing efforts to create personal experiences, nearly all consumers (91 percent) are still more likely to shop with brands who recognize, remember, and provide them with relevant offers and recommendations.

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TRUST REQUIRES TRANSPARENCY AND RESPECT

83%
of consumers are willing to share their data to enable a personalized experience.

Consumers are willing to share their data and rarely feel that businesses are too personal—but they lose trust if brands go outside the relationship.

According to the study, consumers are open to sharing their personal data with businesses in exchange for better customer experiences. In return, businesses must also be transparent about how they collect and use the data.

Eighty-three percent of consumers are willing to share their data to enable a personalized experience as long as businesses are transparent about how they are going to use it and that customers have control over it. Nearly three out of four consumers (73 percent) also said that a business has never communicated with them online in a way that felt too personalized or invasive. However, consumers have drawn a clear line in the sand as it relates to the use of data for personalization tactics.

Of the 27 percent of consumers who reported a brand experience that was too personal or invasive, almost two-thirds (64 percent) say it was because the brand had information about the consumer that they didn't share knowingly or directly, such as a recommendation based on a purchase they made with a different business.

Brand and consumer relationships are no different than their real-life counterparts. When one party goes outside of the relationship for information, the level of trust is completely broken.

COOL OR CREEPY?

Using the data to predict the right product, place, and time is an outdated concept that many consumers find invasive.

Although there's room for brands to offer more personalized experiences to consumers, many are currently prioritizing the wrong tactics—and more critically, they're not paying attention to what consumers say they actually want. Before we highlight the personalization strategies consumers do prefer, let's take a look at the less favorable kinds of techniques.

We asked consumers how creepy or cool they found certain personalization approaches, such as apology emails after a poor online experience or in-store associates armed with their purchase histories. According to the data, the most invasive approach is using consumer location to offer personalized deals.

According to the survey, 41 percent of consumers find it creepy when they receive a text from a brand or retailer as they walk by a physical store, 40 percent find it creepy when they get a mobile notification after walking by a store, and 35 percent find it creepy when they get ads on social sites for items they've browsed on a brand website.

Respondents indicated that the coolest engagement tactics used by brands today are sending apology emails after offering poor in-store or online experiences (45 percent) or an apology message on the brand website (41 percent).

Creepiest Engagement Tactics:

41%
Text from a brand or retailer when walking by a store

40%
Mobile notification after walking by a store

35%
Ads on social site for items browsed on a brand website

Consumers are always communicating with us, and it's time for businesses to listen more intently to what they are saying. Consumers don't want to be limited by what a brand thinks it can predict about them. Instead, they want their favorite brands to design experiences that enable them to buy and consume what they want on their own terms.

Coolest Engagement Tactics:

45%
Receiving an apology email after a poor in-store or online experience

41%
Posting an apology message on a brand website

ENABLING A TWO-WAY DIGITAL DIALOGUE

Consumers don't want brands to define their journeys, they want brands to offer experiences that help them carve their own paths.

Most businesses have been focused on trying to predict every aspect of the customer journey to create personalized experiences but are now realizing this approach is extremely difficult to scale. While at the same time, survey respondents indicated that they welcome experiences that allow them to control and tailor their own brand journeys.

Businesses can meet this new expectation by creating ongoing, two-way digital dialogues that resemble conversations customers would have with a sales or service associate. For example, using data attributes behind the scenes to try and predict the best experience for the customer would be similar to a sales associate hiding behind the counter watching shoppers versus actually engaging with them. Besides being creepy, they aren't likely to be very effective at guessing what that customer really wants or needs. One way brands can engage in a two-way dialogue is to expose the same data attributes through a living profile that will allow the customer to own and drive the experience. Living profiles are most effective at creating experiences based on each customer's unique preferences, passions, and needs.

Living profiles go beyond what a customer buys or consumes to capture the more detailed nuances that explain why customers make those choices. In the clothing industry, for example, aspects such as fabrics (satin), styles (peplum), features (cutouts), fit (classic) and brands (Adidas) would make up a living style profile that evolves along with the customer.

When asked, nearly three-quarters (74 percent) of respondents said they would find these "living profiles" valuable if they could be used to curate the experiences, offers, and products they receive.

As brands shift from marketing communications to a digital dialogue, there tends to be an over reliance on data and technology to define the experience. Although critical for good personalized experiences, that is only one part of the solution. For brands to succeed in their transformation they need to create an experience that's led by great design and enabled by data and technology. By putting customers in control of the experience businesses create the most effective and feasible way to scale 1-to-1 personalization.

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REINVENTING THE SHOPPING EXPERIENCE

Imagine a grocery store built for the masses, but curated to the individual.

Fjord, the design and innovation unit of Accenture Interactive, collaborated with a large organic grocery store to explore how to bring the idea of a two-way digital dialogue to life. They developed an experience that used voice and augmented reality to transform its stores, which are built for the masses, into curated experiences for individual shoppers.

The technology can give shoppers the power to curate the shopping experience based on unique voice interactions and specific diet preferences (e.g. Paleo, low sodium, gluten free, organic), and then uses augmented reality to highlight items on the shelf relevant to them, as well as provide product information such as ingredients, sourcing, and menu suggestions. For example, a shopper on a low-sodium, Paleo diet could scan the chips section to see which products meet her dietary needs and also best match with her taste profile.

This experience can go even further. Customers can navigate the store based on their shopping list to find products they are looking for, help with identifying substitute products that match their dietary needs, track how they are doing toward dietary goals and receive relevant promotions—all based on their personal profile.

Shifting control to the customer creates 1-to-1 personalization that becomes both scalable and more enjoyable, as well as creating a differentiated shopping and marketing experience for the brand.

THE NEXT EVOLUTION OF PERSONALIZATION

Consumers' expectations continue to grow at a faster and faster rate.

The only way to keep pace is to create engaging experiences that build trust in the way customer data is used, and that satisfies expectations by empowering consumers to truly carve their own paths to purchase.

This type of digital service innovation is critical for brand differentiation or businesses will risk offering a commoditized digital experience.

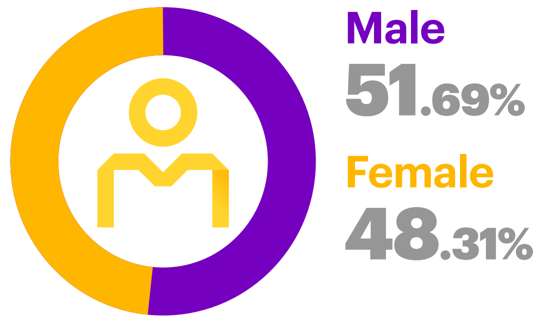
Businesses can facilitate this with a fundamental shift away from a traditional definition of personalization toward one that involves a more interactive dialogue between the marketer and the consumer. Relying on predefined targeting of communications and experiences is no longer enough. Successful personalization will only be seen by businesses that start two-way conversations with consumers and enable those consumers to create their own experience while interacting with the brand.

> **"Successful personalization will only be seen by businesses that start two-way conversations."**

METHODOLOGY

November 2017, Accenture Interactive surveyed 8,000 consumers from North America and Europe about their preferences and expectations when it comes to interacting with brands, retailers and service providers.

Gender:



Region:

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To learn more about how to achieve personalization @ scale and deliver exceptional customer experiences visit **accenture.com/personalization** or contact:

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