The Basics of Personalization

How to provide personalized content and product recommendations to your customers

ibexa

Building memorable experiences. Faster. Together.

Foreword

Businesses today face constant pressure to stay digitally updated and deliver memorable, personalized customer experiences along the entire customer journey.

And this user demand for more personalized, relevant online experiences has pushed CMS vendors to evolve. Many vendors now provide Digital Experience Platforms, where they offer a range of products that complement each other and integrate seamlessly to provide the technologies that enables an organization to grow and succeed with digital operations.

This eBook focuses on the benefits of different types of personalization and gives you recommendations on how to implement a successful personalization content strategy using a DXP. We also provide useful tips and best practices based on real-world scenarios.

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The Many Faces of Personalization

As marketers, product managers, digital strategists and information architects, we hear the word personalization almost on a daily basis. But what does it really mean? How do we break the buzzword down to the essentials?

Personalization is all about providing relevant content or product recommendations to audience segments or individual users in real time. Though the term suggests a one-to-one interaction, personalization is usually implemented through an automated and rules-based approach to database segmentation. Personalization is based on user behavior (e.g. clicks, page views, purchases) or demographic data (e.g. location, job role, industry). In many cases, a personalization strategy will encompass both types of data.

You might hear the word personalization used in reference to email marketing, online advertising or websites. In this eBook we'll be focusing on web content personalization.

Let's first take a look at how personalization takes shape in these other channels. After all, your business will benefit from a multi-channel personalization strategy, and chances are you are already implementing some forms of personalization today.

Email marketing

In email marketing, personalization is most commonly implemented with tokens, allowing marketers to send emails to their customers with personalized names, organization names and other fields, all pulled from their email service provider or marketing automation system. Personalization in an email context can also mean dynamic content, whereby the customer receives an email with tailored information – such as articles or featured products, depending on the context – based on their behavioral or demographic data.

Online advertising

Personalized online advertising takes a somewhat different shape but the core principles are the same. One example is behavioral targeting in which a business uses an ad network to deliver a tailored ad to the user based on the user's behavior on the company website. A business can also purchase ads via an ad network, where the display of the ads are based on demographic data such as IP address, geography or device. There are also contextual ads, in which businesses can target web pages that have content complementary to what the business is advertising. Other forms of personalized online advertising include search retargeting and mobile advertising. To be fair, the advertising landscape is complex and quite diverse – it truly warrants many eBooks on the subject and there are plenty of them out there to check out.

Speaking of online advertising, you may have seen a gallery of recommended articles, slideshows, blog posts, photos or videos on a web page that from first glance seem like personalized recommendations from the website itself but are actually third-party ads. These services are operated by platforms that position themselves as using behavioral targeting, but many times we don't see the connection between our online activity and the content being advertised. Why are you showing me a "Where are they now?" slideshow of former child actors?

Why are we bringing these platforms up? Simply to make an important point about the rest of this eBook. When we talk about recommendations and personalized web content, we are referring to content from the web publisher's own inventory, not third-party advertising.

Web Content Personalization

Web content personalization takes place on a web page, of course, but unlike online advertising, no revenue is generated from the user's interaction with the content alone. Web content personalization isn't about generating ad revenue from other brands. It's about delivering your users relevant content in order to increase revenue, engagement and trust in your brand.

Web content personalization is most often delivered in the form of recommendations on a web page, whether it be your homepage, section pages or individual product or article pages. Personalized search, which will be discussed later in this eBook, is another form of web content personalization.

In the next chapter, we break down different approaches to web content personalization.

Web Content Personalization

Provides a personalized journey with multiple content types

Recommended for you

RECOMMENDED FOR YOU

BECAUSE YOU WATCHED

Because you watched

Ways to Personalize Content on the Web

Personalized experiences on the web have been happening since the 2000s. Websites like Amazon.com have long been providing a custom digital experience to users (products and services catered to specific interests and needs) who have logged in or made a purchase. But there is immense value in providing this same level of personalization on the fly, before a user has openly provided any information. Amazon provides this level of personalization as well, yet many companies have not currently adopted this approach.

We'd like to spend some time going into more detail about these different approaches and how they work. In the websphere, they are commonly called implicit and explicit personalization.

Implicit Personalization

Implicit personalization means presenting personalized content to a user based on a qualified assumption: "Based on X behavior, I believe this user will be interested in Y products or content."

In most cases, implicit personalization involves behavioral tracking of the user, such as web pages visited, products viewed, products placed in a shopping cart, products purchased, links clicked, or topics searched. These are the data points we leverage, for instance, in our cloud service Ibexa Personalization, which uses cookies to track user behavior.

By tracking activity from individual sessions and aggregating it, our service builds user profiles that become smarter over time. Implicit personalization can also be based on the geographic location of the user. For example, a brand can serve specific content based on a user's IP address, geographic region, browser, device or referral traffic source.

VisitAndorra uses implicit personalization to serve relevant content based on a visitor's location using their IP address. If you come to the site in say February and you live in Spain just a few hours' drive a way you'll see Andorra's Winter Campaign but if you are living in Russia it's assumed you'll have a longer journey and will be planning further ahead and therefore will see Andorra's summer campaign.

There are different types of algorithms and techniques used for implicit personalization. Depending on whom you talk to, one may be better than the next to optimize for specific goals, such as conversions, visit length or lead generation.

Implicit personalization can provide great results. For instance, personalized recommendations in a check-out process are an effective way to upsell customers and today's personalization technology can quite accurately identify which kind of shopper you are and what kind of additional products you are interested in. In fact, approximately 50 percent of all purchasing decisions can be predicted in advance with recommendation technology, according to research from the 2015 SysRec Conference.

Example of implicit personalization, from Ibexa's 'Maison' demo site. Product recommendations are based on users' previous purchases, products abandoned in shopping cart, page browsing history and more.
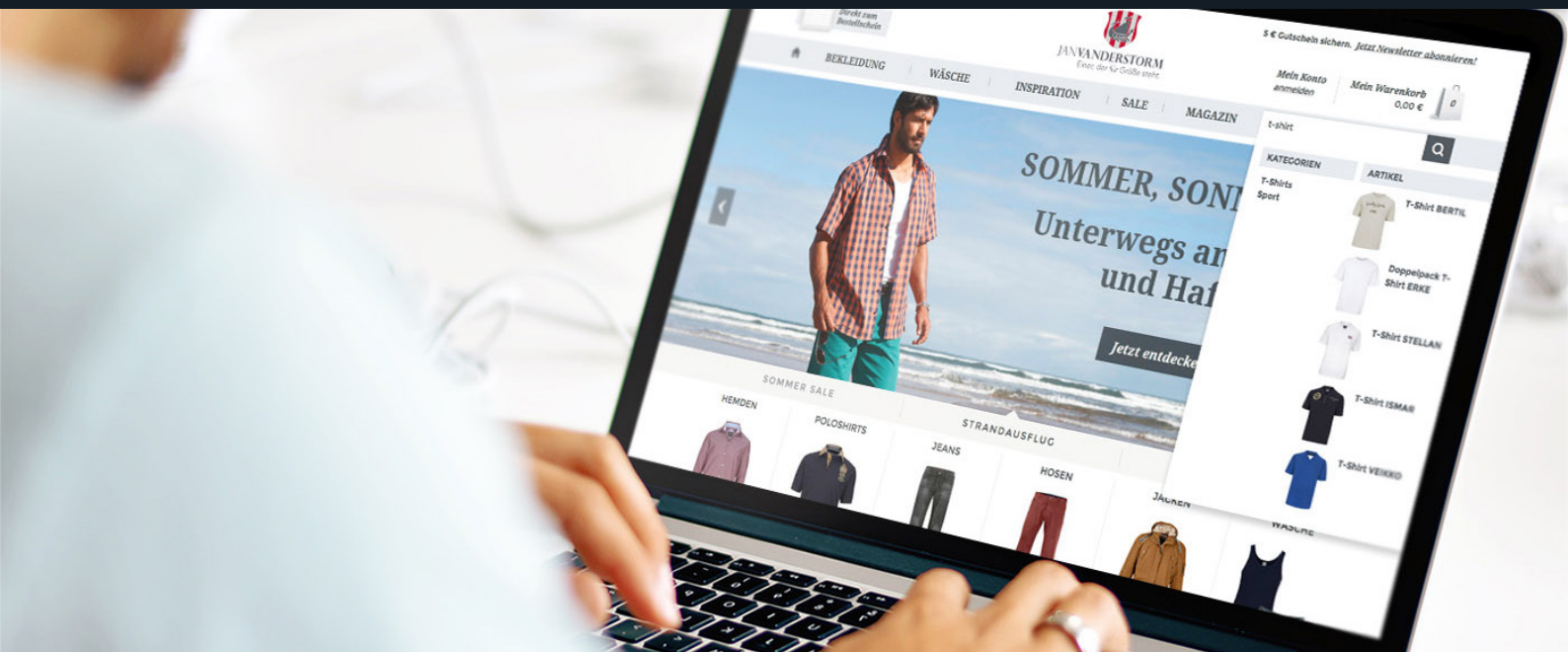
The search engine on the German retailer Jan Vanderstorm's site, powered by Ibexa Personalization, ranks search results based on the user's on-site behavior and categorizes the results for easier shopping.

Personalized search is another example of implicit personalization, and it's an effective approach for e-commerce, especially if you have an extensive product inventory. By ranking results based on a user's on-site behavior, you can provide users with more relevant content. This is an important feature that is often overlooked when implementing a personalization strategy.

Explicit Personalization

There is a tendency to think that you have to use implicit personalization. The reality is, implicit personalization is very good for most use cases, but not for all. There is another kind of personalization, often called explicit

personalization. Explicit personalization lets the user inform the website of his or her preferences. For example, a user might fill out a form on his go-to sports site indicating that he only wants to see rugby news on his personalized home page, his feed and his newsletter.

Even though it seems simple, explicit personalization should be part of the design phase of the project – it's not just a web form you add to your site. If you're interested in implementing explicit personalization, a flexible Digital Experience Platform such as Ibexa DXP will provide the capabilities you need to forge connections between users and content, an initial step to delivering explicit personalization.
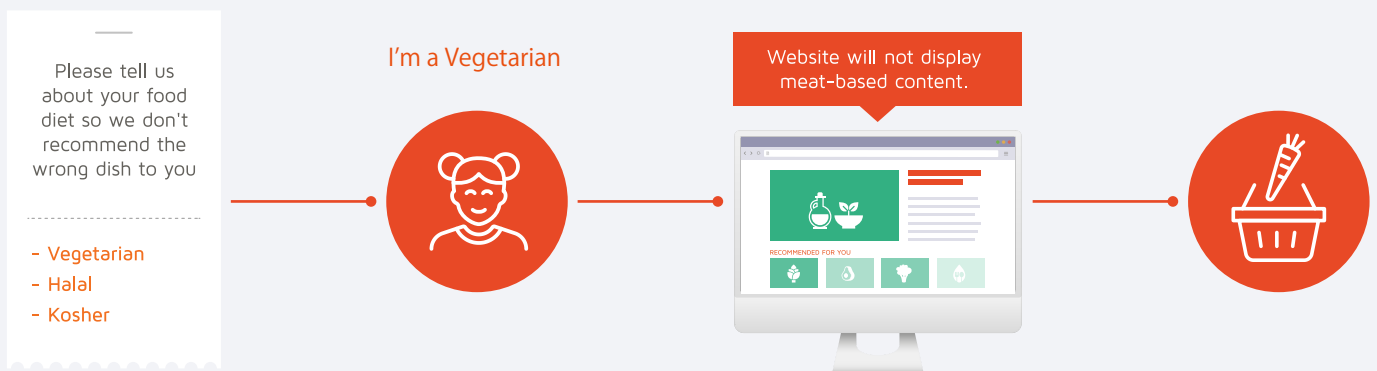
With explicit personalization, let your users tell you what they want to see! In this example, a user tells a food delivery service she is vegetarian, so the site doesn't serve her information about the latest BBQ joints.

The Power of Information Architecture

Of course, personalization isn't the only way to provide relevant content on your site. Through proper information architecture, you can provide users with a relevant online experience, and you can do it without using any demographic, behavioral or personal data whatsoever.
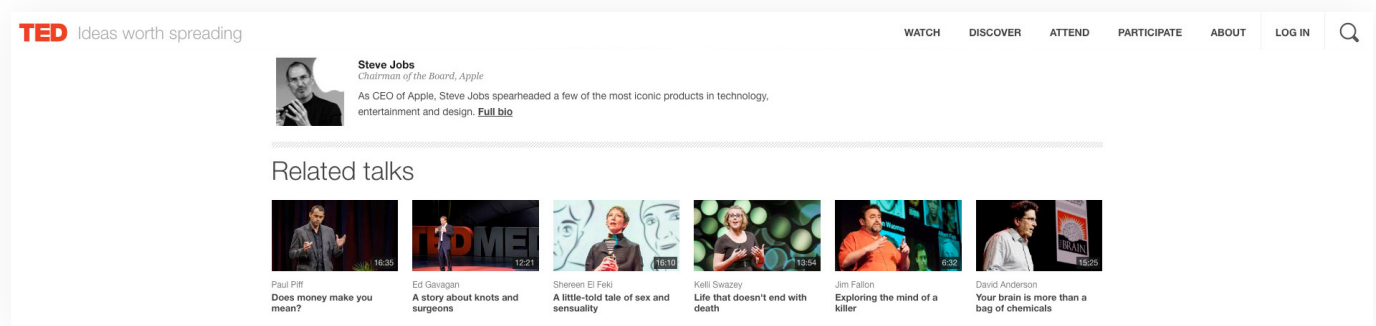
A simple example of relevant content on the TED site, purely driven by rich content, a strong taxonomy and good content structure. Here, the importance of a semantic approach to storing content is key.

Amazon.com demonstrates the importance of information architecture. From the website's inception, a great amount of consideration was put into having well defined product categories and ultra-precise sub-categories. This lets users take great control of their browsing experience.

Because Amazon's product catalog is based on a strong information architecture with structured content, lovers of literature can easily discover similar items by author, genre and more. Users can also rate a product from one to five stars – a fine example of how you can let consumer opinion drive purchasing behavior and build trust.

Example of implicit personalization, from Ibexa's 'Maison' demo site whereby the site recommends products based on the user's behavior as well as the behavior of other users who bought the same items. This concept is based on establishing patterns, theorizing that users who buy the same product are more likely to have mutual interest in other items.

A simple web form can collect the data necessary to deliver basic explicit personalization.

Your organization can deliver relevant content in different ways, using implicit or explicit personalization or simply through strong information architecture.

The great news is that none of these approaches are mutually exclusive. Think about how you can take advantage of different techniques and tools to achieve your strategic goal.

Define your fallbacks

Serving relevant content via implicit personalization depends on the user data you are able to collect. Ensure the service or solution you choose enables you to easily define fallback strategies when behavioral data on a specific user is insufficient.

The Benefits of Personalization

What's good for your customer is good for you. At a first glance, personalization seems like it's made for the benefit of the customer, but of course, delivering relevant information to your customer and making the customer experience better will bring you lots of benefits. Delivering relevant information to your customers generates revenue, traffic and engagement as well as operational benefits.

Benefits for the Business

- **Revenue:** Serving up relevant products and services will more likely lead to an increase in sales and subscriptions.

- **Traffic and engagement:** A website that provides a more enjoyable user experience is more likely to have returning visitors.

- **Brand association:** If customers enjoy interacting with your brand, there is a much higher possibility that you will do business with them in the future.

- **Customer insights:** Measuring how your customers respond to your content will inform you on which content you should develop in the future.

- **Customer support:** Actively catering to your customers' needs and serving them relevant content may make it easier for you to solve their problems and answer their questions.

- **Website design:** Knowing who your customers are and what their preferences are helps you make better decisions for future iterations of your site.

- **Content development:** Content creation should stem from the needs of your audience. If you implement a personalization strategy around editorial content, as an example, your organization will surely need more content and this can serve as a motivator for your editorial team. Of course, there's plenty for customers to gain from web content personalization.

We are living in the age of the customer, where customers want to feel in control of the user experience and see direct benefits from technological improvements.

Customer Benefits

- **Reduce clutter:** Users like to be presented with relevant content. If they have too many choices, it may be hard for them to find what they are looking for. Users inundated with too many choices may abandon your website. When your content is personalized to their tastes, they feel like they are at home.

- **Feel a bond:** There's a much stronger connection when the content on a website directly addresses what a customer is looking for. Customers want to feel recognized and treated as an individual, not a number. In their minds, associating with your brand becomes a more intimate experience.

- **Get things done:** Customers often visit a website with a particular goal in mind. The more efficiently they can reach their destination, the faster they can do other things and the more likely they will return to your site again.

> Personalization is not a goal. But it can help you reach critical business and marketing goals, like increasing purchase, improving engagement and deepening customer relationships.
>
> Jennifer Polk
> Gartner Blog, May 16. 2019

How to Measure Your Return

If you use personalization technology to deliver product recommendations in an online shop, the benefits can be extremely clear, measurable and direct. We recommend focusing on the revenue generated in connection to the recommendations, above anything else.

With personalization technology, you are able to track key actions including purchases, revenue generated by recommendations, product page views and clicks. We recommend tracking how many recommendations are served to your web visitors and analyzing your conversion rates. Effectively, this allows you to evaluate the acceptance and quality of your recommendations and measure them against your KPIs.

As for publishers, it is also easy to measure the ROI of personalization technology. We recommend focusing on engagement metrics such as page views, sessions and session durations. If you offer paid content by subscription or another model, it's of course critical to measure the conversion rates and change in volume of your subscriber base.
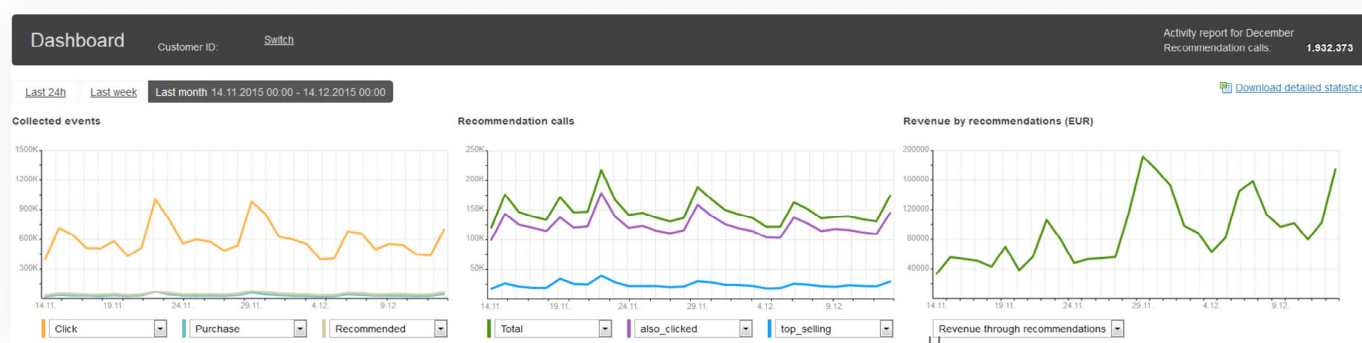
Deliver Content in Context
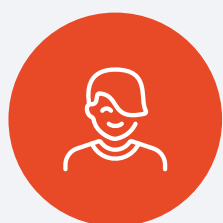
A user visits your online shop, browses some pages and buys a couple of products.

The presonalization technology tracks the user's on-site behavior.

At the next visit, the solution recommends complementary products.

The customer buys a few recommended products and keeps returning for more.

What Is Required To Launch Personalization Effectively?
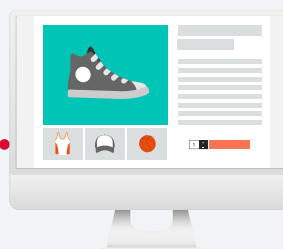
As mentioned earlier in this eBook, personalization is more than just a feature or a tool. You can't just press a button and turn it on. Implementing a personalization strategy requires thoughtful planning and a strategic mindset. There are certain areas you must consider and across the organization, many players need to be involved in the process.

Here are a few key considerations:

Stakeholders

Identify all the key internal stakeholders (decision makers and influencers). Depending on your organization, this may be a mix of Marketing, IT, Sales and Editorial but others may also be involved, especially if your personalization strategy goes beyond your site into other business functions such as customer support.

Make sure everyone has the same definition of "personalization." Too often, we find it means different things to different people, and it really depends on the context. Are you talking about web content personalization or email personalization, for example? Be sure to define a clear scope.

It's also important to manage expectations. Remind your stakeholders that personalization is not just about a technology or tool. Everyone should approach discussions with a more strategic mindset.

Measurement

It's important to measure user activity to inform your personalization strategy and enhance your website's digital experience.

Does your organization have access to accurate, up-to-date customer data on website engagement, orders, subscription management and/or funnel status?

We recommend you get your data in order as much as possible before you go too deep into implementing a personalization strategy. Since personalization is a continuous process, you'll want to use your customer and website analytics data to affect your decisions as you optimize your approach over time.

> Putting the consumer first requires more than just gesture. In many cases, it's changing the DNA of operations and strategic focus.
>
> Kevin P Nichols
> Executive Director of Avenue CX

Internal stakeholders should collaborate to define KPIs and create a measurement strategy. Are you implementing product recommendations to drive revenue? Or content recommendations to drive traffic and content consumption? Agree on your goals and then work on how you can use your data to measure the results. Ensure your objectives are measurable and objective.

Content

If you are implementing a personalization strategy around content, as many publishers do, your organization first needs to take an inventory of its content. How much content do you currently have and how big is your editorial team? Do you have a content strategy in place? Personalization will require more content and you will need a team to sustain it. Some questions that you might ask are:

- Is there a documented content creation process?
- Do I have enough resources in place to create the content?
- Is my content mapped to our target personas?
- Is there a governance structure in place to determine if content is truly relevant?
- Have I considered how the content should be tagged?

Personas

It's important to consider how personalization hinges on your target audience. Characteristics, behaviors and preferences of your customers should be documented. Understanding your main personas will help you build the best user experience.

Some questions that you might ask when building your personas:

- What is your job role and title?
- What does your typical day look like?
- What pain points bring you to the site?
- What are your biggest challenges?

Technology

Although successful personalization depends on a strategic customer-centric approach, you need to factor in a technology vendor selection process. In addition, you must consider your existing technology ecosystem and whether the new tools you are evaluating integrate smoothly with the rest of your solutions.

Some key considerations you should make before selecting a personalization service include:

- Does the product provide personalized content based on on-site behavior or some other technique?
- Is personalization delivered on an individual user basis or by segment or persona, as defined by the administrator?
- How much customization is possible?
- What is the pricing model? Do we pay upfront or can we pay based on performance pricing?
- Does the product integrate with ecommerce platforms? Which ones? (If you've an online shop.)

What Prevents Us from Delivering Relevant User Experiences?

Marketing teams are under-resourced
Marketing may not think about long term goals.

Organizations are siloed
Without clear alignment, organizations struggle to bring personalization into their online user experience.

Personalization is perceived as expensive
For personalization to be effective, organizations need to have a sizable collection of content, conduct more analysis and implement new technology. There's a misconception this is always an expensive process.

Business benefits of personalization aren't clear enough
Organizations may be toying with personalization projects without having clearly defined goals or understanding the entire process.
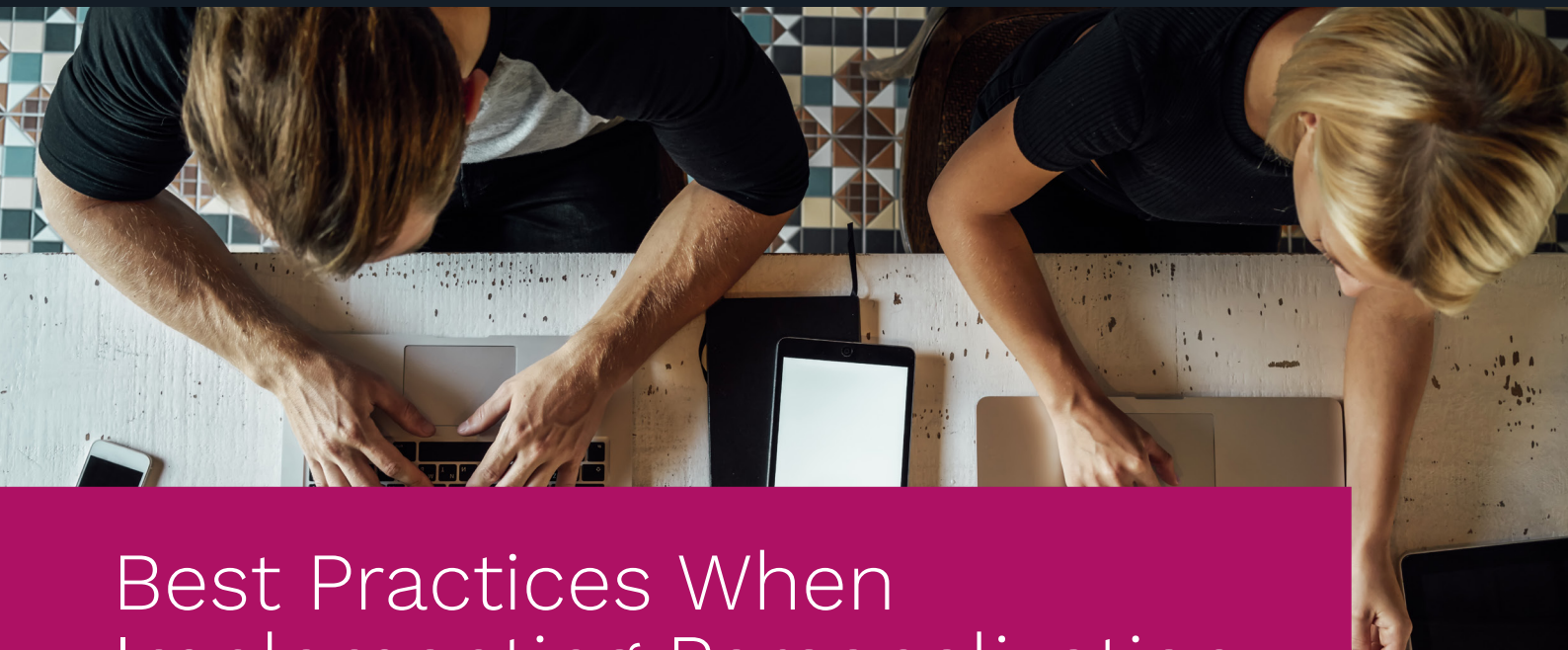
Best Practices When Implementing Personalization

When people shop in their favorite supermarket, they like to know where to go to find what they're looking for. They don't want the store's organization to change. That's why retailers try to replicate store plans in all their stores, to provide a familiar and smooth user experience, and to reinforce their brand. The Apple Store is probably one of the best examples. Every detail is uniform across their stores worldwide, making you feel right at home no matter which Apple Store you're in.

Digital experiences are very similar to physical experiences – users like them to be predictable. One issue with personalization is that, if used improperly, it can make websites, online services and apps less predictable and sometimes downright confusing. And to tell you the truth, it can be easy to fall into this trap, as very few of the elements of context used for personalization are truly reliable. There's room for many mistakes, especially when you're relying on pixel tracking alone.

Imagine you're a store owner and you had an algorithm that shuffles the layout of your store for each customer based on their age, gender and marital status.

A 35-year-old single male who regularly buys imported beer would find beer right at the entrance (and not in the back as usual). Then one day let's imagine this 35-year-old single man walks into a different store dressed as Mary Poppins for Halloween. If this store had the same personalization technology, our friend might be welcomed into the store by dresses, handbags and cosmetics.

This is of course a playful example, but that is what can happen in digital channels when personalization is not used properly. The exact same thing can happen to your home page simply because the indicators we rely upon to identify a user's preferences aren't fully reliable. Personalization is not an exact science and it's sometime hard to predict what users want or need.

So there are places where personalization makes sense, and there are places where it doesn't make much sense but no matter what, personalization techniques aren't fool-proof.

Personalizing product recommendations based on on-site behavior usually works well, but what if a male user spent two weeks in your online shop searching for a dress for his wife? Do you really want to keep recommending dresses and related clothing to him after he's purchased the gift?

Be sure to take this into account when planning your personalization strategy. A session-based approach like the one used by Ibexa Personalization, where user data is aggregated over multiple visits, should be able to more clearly determine the user's intentions. After two or three sessions, the personalization technology should see that the user is not looking for dresses but beer.

It's All About Information Architecture
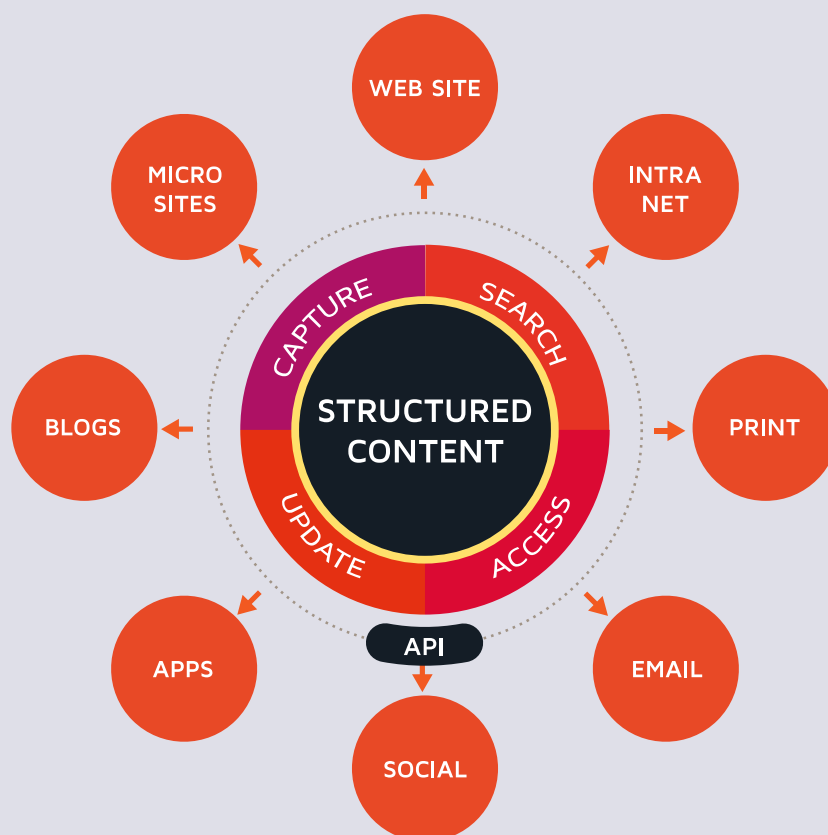
If you're planning to implement a personalization strategy, ensure you have a strong information architecture first. By structuring your content, you set it free from the confines of the web page and enable reuse across channels.

Most of what we say above revolves around one thing: personalization can provide a lot of value, but it needs to be treated as part of your information architecture and content strategy. If you treat personalization as unrelated to information architecture, you're going to get it wrong.

Information architecture, which as a discipline encompasses personalization, includes organizing content, the way it's discovered and the way it's understood. If you want to learn more about the information architecture discipline, we'd recommend the 4th edition of the O'Reilly reference book on the topic, Information Architecture: For the Web and Beyond by Louis Rosenfeld & co.

Selecting the Right Personalization Technology

Think beyond the rules

A lot of personalization solutions are based on implementing a set of rules. A digital rule engine may say, "If shopper does X, then offer Y." At first this may seem like an efficient approach to give customers what they need, but it has limitations.

There's an inherent danger the technology does not fully understand the intricacies of your business and its rules don't evolve fast enough with the way your customers do e-commerce.

Out-of-date rules can prevent conversions, and as rules begin to accumulate, they may even start conflicting with each other. Of course, every visitor is unique and it's highly recommended you implement A/B testing of recommendations to optimize performance.

One should also consider how the implementation of rule-based technology will affect the performance of the site. It's quite possible that too many rules may significantly decrease load times of content. So even if the rules are effective, they might not be efficient in producing results.

Favor SaaS over in-house custom development

A decade ago, personalization technology usually required the support of your IT organization. But nowadays many solutions are cloud-based and can be implemented in a very cost effective manner.

A custom IT implementation carries extra cost especially in terms of software maintenance and it can mean great changes to people and processes, which can put strain on the organization let alone the budget. Being dependent on IT for personalization is not the right approach. Consider SaaS solutions that offer flexible integration with your CMS or DXP and e-shop.

Pay attention to patterns

Taking personalization to the extreme is treating each shopper as a unique persona. In theory, a one-to-one personalization approach seems like the ideal scenario. But it's not efficient or realistic. People tend to be more similar than different – it's our patterns that make us unique.

A good personalization strategy can aggregate shopper pattern data and deliver a personalized interaction that feels genuine. Paying attention to the patterns of shopper engagement activities like page views, dwell times, mouse movements, scrolls and video views gives you insight into what your shoppers are looking for. Personalization technology can use these data points to predict new visitor behavior and offer an experience that feels personalized from the first interaction on the site.

Predictive apps are those that leverage big data predictive analytics to anticipate and provide the right functionality and content on the right device at the right time for the right person by continuously learning about them.

Focus on the present

It's great to accumulate data and analyze it but user history can only provide a certain level of insight. A good personalization solution should harvest insight from all the micro-behaviors taking place on your site – in the moment – to determine intent and deliver the best content for each customer in real time.

Don't get too personal

Imagine receiving a personalized e-mail recommending a birthday gift for a deceased relative. It's happened at a major retailer we shall not name. Don't get too personal with your interactions unless you are certain of the context and the targeted user.

Conclusion

Personalization technology is becoming more mature and many organizations are tapping into its power to deliver better user experiences. When you are able to accommodate to your users needs, you increase customer satisfaction. This in turn leads to an increase in revenue and engagement. Brands that understand their customers are more capable of succeeding in a competitive digital environment.

There are a lot of personalization approaches and technology choices when embarking on a personalization strategy. We hope to have brought more clarity and insight into the process. With the right strategy and preparation, personalizing content for the web becomes an enjoyable process.

We, the vendors, have made a lot of progress in all of these aspects but it remains complex to serve personalized content online. Vendors tend to focus on the bright side of things and we need to do our part to move the conversation forward.

Looking to implement personalization technology?

Personalization is a sophisticated, complex topic and you need to be prepared if you're going to purchase and implement it. So be well informed, understand the topic and before making your digital infrastructure more complex, make sure you have a clear view of how your personalization strategy aligns with your information

architecture and how personalization will support your overall business strategy.

If you have personalization on your roadmap, instead of rushing to software vendors to watch demos, make sure you have a solid grasp on what you want to achieve first. Be sure to have a strong UX expert and Information Architect in your team who will drive the project to integrate personalization into the core of your content management platform. If not, start to build such a skillset in your team or consider finding a partner who can help.

Then, don't think about personalization as a massive thing. Start small, introduce it where it makes the most sense, analyze and experiment, and then expand to other areas of your site. For instance, if you have e-commerce on your site, start by simply adding personalized product recommendations at check-out. Once you validate this use case, you can extend and introduce it deeper in the user experience such as on product category pages.

Ibexa Personalization

Delivering relevant content optimally during a user journey does not have to be complex. Ibexa's Personalization feature, delivered as an integral service with Ibexa DXP v3.3 release, lets you configure sophisticated automated content delivery systems across your digital channels, adapted to each user's journey.

Optimize your sales channels – maximize your revenue opportunities

Your revenue opportunities will be maximized through targeted product promotions and you can boost your audience's engagement with editorial content recommendations.

In addition, Ibexa's Personalization feature enables you to:

- Optimize lead-generation campaigns with relevant contextual content offers

- Track and analyze your user scenarios to learn and develop your targeting strategies and improve engagement

- Track additional e-commerce revenue generated by personalization

- Enrich your customer data by integrating Ibexa's Personalization feature with existing business systems (CRMs, ERPs, marketing automation)

- Improve customer retention, reduce churn, and deliver better business outcomes with a complete picture of your delivered customer experience.

Ibexa Personalization is available for all Ibexa products, you can try it at no cost. To use it in production, you must purchase the service. Pricing is based on number of personalization API events.
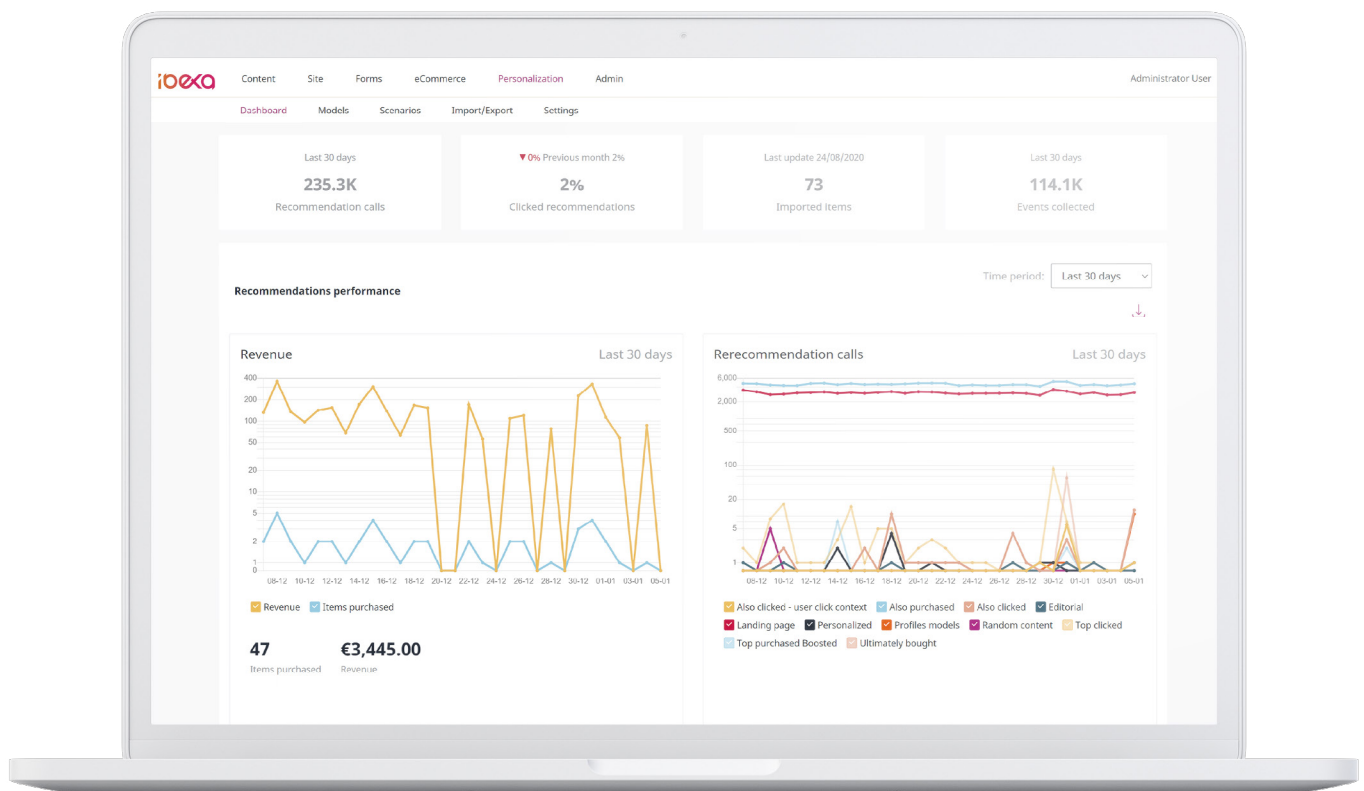
Ibexa Personalization is an integral part of Ibexa DXP, accessible from the main menu. The dashboard displays your performance statistics.

ibexa

About Ibexa

Ibexa Digital Experience Platform (DXP) enables organizations to stay competitive, optimize their revenue streams, launch new products and services and test-drive digital strategies. With Ibexa DXP, B2B companies can transform sales strategies and build frictionless buying experiences in a sustainable, cost-effective and fast manner.

Offering content creation, website building, e-commerce and personalization along with accelerated development capabilities, Ibexa helps companies to quickly embrace new business and sales strategies and build memorable experiences for their users across channels, unifying brand, content, product information, commerce and their existing business processes. With the help of our certified, trustworthy partners – digital agencies, system integrators and consultancies – they will progress in their digital transformation and quickly adapt to changing market needs while always putting the customer experience at the heart of their businesses.

Ibexa's reliable and secure DXP is trusted by thousands of users worldwide and a dedicated global partner ecosystem. Brands such as Crédit Agricole, Comscore, Hibu, Groupe Atlantic and Whirlpool rely on Ibexa as a strategic partner in their business. Founded in 1999, Ibexa is headquartered in Oslo, Norway and has offices in Germany, France, the UK, Spain, Poland, USA and Japan.

Resources

- Explore Ibexa software: www.ibexa.co/products
- Request a demo: www.ibexa.co/forms/request-a-demo
- Read success stories: www.ibexa.co/success-stories
- Get the latest Ibexa news and insights: www.ibexa.co/blog
- Read our software information and documentation: www.ibexa.co/software-information
- Find an Ibexa partner: www.ibexa.co/partners

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Building memorable experiences. Faster. Together.