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Mastering Personalization: Drive Loyalty, Enhance Sales, and Strengthen Customer Ties

CONTENT

The Importance of Personalization

Everyone wants to feel understood.

As customers, we expect the same from brands. We want music streaming services to curate playlists with songs we love and introduce us to new artists. We want our favorite clothing brand to notify us when the zip-up hoodie we've been eyeing goes on sale. Companies that offer personalized experiences are the ones capturing customers' hearts—and their business.

We have tips to help you become one of these companies. If you're ready to deepen customer relationships and boost sales, let's get started.

What is Personalization?

Personalization uses content, context, and data to create relevant experiences for customers across multiple touchpoints. In other words, it means delivering the right content to the right customers at the right time.

It's about anticipating what customers will like or need. Knowing when they might have a question and providing quick answers. Recognizing when something is wrong and addressing it before they ask for help. Predicting the experiences they'll want across all channels—from emails and phone calls to face-to-face interactions.

Personalization is also about making customers feel valued and appreciated. This means respecting their time by providing fast, convenient experiences and showing appreciation for their business, like sending a happy birthday email with a $10 off coupon.

Moreover, personalization helps customers discover new products and services they love, introducing them to new trends and tips that keep them coming back.

When you think of personalization, you might think of retail—like the Macy's memory foam pillow you added to your cart weeks ago that follows you as you browse different websites. But it goes far beyond retail. Every organization needs to embrace personalization. It's the local dry cleaner who greets you by name, the airline attendant who thanks you for being a loyal member, and the "Recommended for you" suggestions on Amazon that drive a significant portion of their sales.

Personalization is crucial for B2B companies as well. For instance, we're partnering with an insurance company to personalize the information it shares with agents. By providing specific data about their contacts, agents save time and can sell more insurance plans.

Personalization is no longer a nice-to-do—it's a must-do. It drives a 67% increase in transactions, a 300% increase in conversion rate, and a 7% increase in annual revenue. Moreover, 86% of consumers say personalization plays a key role in their purchasing decisions.

The Challenges of Personalization

So why isn't everyone fully embracing personalization and securing customer loyalty? Because it can get complicated, quickly.

We often see companies struggling to extract insights from complex, siloed data—insights necessary for accurate personalization. There are barriers between marketing and IT departments. Many companies have multiple CRM systems filled with duplicate customer records and inconsistent information. Some have the right content management system (CMS) but lack the team size to produce varied content for different audiences.

But here's the good news: **With personalization, you don't have to start from scratch or go from zero to 100 immediately.** No matter how much you strategize, prep, and plan, some insights only become clear once you dive in and see what happens. That's why we encourage you to start personalizing sooner than you might expect—to get the data flowing and observe how your customers react.

While some personalization efforts may require significant technology investments, we often find relatively easy ways to start small and achieve quick wins.

Our Personalization Maturity Model

Many clients approach us wanting to know what successful personalization looks like and what it takes to achieve it. To assist you in understanding your position in the personalization journey and setting goals, we created our personalization maturity model.

Our maturity model comprises four pillars: customer experience, business, technology, and data and analytics. Each pillar is divided into four levels of maturity: cookie-cutter, capable, coordinated, and best-in-class. Companies excelling in personalization are typically best-in-class across all four pillars.

Here are some of our proven strategies to help you progress from cookie-cutter and capable to coordinated and best-in-class.

Maturity Model

	CRAWL	WALK	JOG	RUN
Customer experience	Untailored	Basic (S, M, L)	Tailored	Predictive and anticipatory
Business	Siloed	Exploratory	Momentum	Pervasive
Technology	Starter blocks	Foundational	Largely integrated	Robust & scaleable
Data & analytics	Untapped potential	Connecting	Targeted	Optimized
	COOKIE-CUTTER	CAPABLE	COORDINATED	BEST-IN-CLASS

Customer Experience

CRAWL	WALK	JOG	RUN
UNTAILORED	**BASIC (S, M, L)**	**TAILORED**	**PREDICTIVE & ANTICIPATORY**
Every customer has the same experience when interacting with your brand. You have generalized con- tent for all audiences based on your current marketing campaign.	Your customer experience lacks distinctiveness and offers only basic personalization, such as name or broad categories (e.g., male/female). The personalized content often misses the mark, as it targets large groups or categories rather than individual needs.	Customers value the personalized content they receive across various channels. They are beginning to recognize that your company is effectively helping them discover new products and services that align with their interests and needs.	Customers are passionate about your brand. You outshine the competition by consistently impressing customers and eliciting strong emotional connections. You frequently anticipate their needs before they do. Every interaction is a uniquely personalized 1:1 experience.

Start with Your Wow

What will truly impress your customers? Answering this question is the first and most crucial step in your personalization journey. Consider what your specific customers are looking for based on your brand, industry, and what your competitors are doing.

For example, banking customers typically want text alerts only when something is wrong, such as suspicious activity or an overdrawn account. On the other hand, those same individuals might love receiving texts from the dog-walking service that walks Pugsley on Tuesdays and Thursdays: "Pugsley was in a playful mood! He chased a corgi and went potty three times." Personalization isn't one-size-fits-all.

To understand what your customers want, organize customer journey workshops with cross-functional groups from your company. Include participants from various departments, such as your CIO, VP of Sales, and VP of Marketing. Invite customers to join as well. Many individuals passionate about your industry or products will be eager to provide input. If needed, offer incentives like gift cards or free lunches.

Write out all your current and potential touchpoints. Touchpoints can include ads, emails, direct mail, phone calls, websites, social media, text messages, or push notifications. They can be as specific as an email thanking them for a couch purchase and suggesting rugs that would complement it, or a menu at a Disney World restaurant with a personal note congratulating them on completing the Disney World half-marathon.

Once you have listed the touchpoints, discuss these questions:

• What are your customers' pain points?
• How can you make each interaction easier and faster?
• How can you help them discover more products or services they might like?

Brainstorm ways to enhance every single touchpoint. Don't focus on your current limitations in data, technology, and skills. Instead, concentrate on what your customers would want if anything were possible. Get feedback from the customers attending the workshop on what would exceed their expectations. The goal is to leave the meeting with a vision of your ideal customer journey and a deeper understanding of what truly matters to your customers. This insight will help guide your organization's investments in technology and talent (more on that later).

CRAWL	WALK	JOG	RUN
SILOED	**EXPLORATORY**	**MOMENTUM**	**PERVASIVE**
Employees at your company are primarily focused on their specific functions, making inter-departmental communication very challenging. The organization lacks the resources and expertise necessary to deliver personalized content and experiences.	You've recognized the need for personalization. Employees are starting to see the significant impact that personalized experiences can have on both customer satisfaction and the bottom line. Your organization is collaborating with external SMEs to develop a comprehensive personalization strategy.	You have a dedicated personalization champion (or champions) with a cross-organizational perspective, leading a roadmap to integrate personalization into business strategies and operations. A governance structure and process have been established to manage personalization efforts. Relevant training programs have been developed and are delivered in-house.	Your company is passionately focused on its customers. A senior executive is dedicated to driving personalization and enhancing the customer experience. Teams work collaboratively to ensure the highest level of personalized interactions. Your company possesses expertise in data, technology, and content, enabling exceptional personalization.

Business

Determine what Skills or Roles You're Missing
Review your customer journey map and our maturity model to identify the roles and skills required to achieve best-in-class status. Ensure you have champions in customer and brand experience, technology platforms, and analytics. This will allow you to build a compelling customer experience vision, support it with the right technologies, and derive insights from data.

If there are gaps in your team's expertise, consider investing in formal training. A cost-effective approach is to utilize the extensive free online training available or explore Massive Open Online Course (MOOC) providers like Coursera or Udacity. Another effective tactic is to appoint champions for specific tools or platforms to serve as evangelists and lead the adoption strategy.

Bringing in an external partner with deep expertise can also help you quickly ramp up knowledge and skills in specific areas of your business.

Identify Your Personalization Champion(s)
Select an executive to champion your personalization initiative. This should be someone with the authority and respect to work across your organization and various departments. They will oversee personalization governance, reporting, meetings, and communications about the program.

Define What Success Looks Like
Develop a roadmap outlining what success will look like over the next two to three years. Identify the initiatives you need to accomplish and the metrics to measure success. Is it a ten percent increase in average purchases? A five percent increase in cross-sales? A three percent reduction in attrition? Ensure you have baseline numbers for accurate measurement. Create a timeline that includes success metrics and milestones your company needs to hit along the way.

	CRAWL	WALK	JOG	RUN
	STARTING BLOCKS	**FOUNDATIONAL**	**LARGELY INTEGRATED**	**ROBUST & SCALABLE**
	Your technology platforms are siloed, lacking a unified technology roadmap designed to drive personalization.	Your company has a foundational level of confidence in connecting customer data points, as systems like your CMS, analytics, and CRM are being linked. However, personalization remains primarily click-based.	You are connecting with customers across most channels, using cookie-based information to inform personalization. Content can now be tailored and personalized across these channels.	You possess a robust marketing technology stack that enables the delivery of personalized content at the individual level and at scale. Your technical capabilities include loyalty tracking and are increasingly integrating AI and machine learning.

Technology

Know Your Technology Options
The following technologies can help you execute your personalization strategy, enabling personalized interactions across various touchpoints such as ads, emails, direct mail, phone calls, websites, social media, text messages, and push notifications. It's important to remember that this isn't an all-or-nothing checklist. Consider it an introduction to what's possible. Many platforms offer multiple functionalities—such as an e-commerce platform that also provides marketing automation.

Pick One or Two Priorities
Take stock of the technology tools, platforms, and services your company is currently using. What's working well? What's not working? What's partially working but needs improvement? For example, you might have an older CMS that doesn't allow for the personalization you envision. You could upgrade your CMS or use a third-party tool like Optimizely, which integrates with many popular CMS systems. This could be a great long-term solution or at least a significant step forward until you can undertake a larger CMS upgrade.

Data & Analytics

|	CRAWL	WALK	JOG	RUN
	UNTAPPED POTENTIAL	**CONNECTING**	**TARGETED**	**OPTIMIZED**
	Data is scattered across decentralized, unconnected locations within your organization. The platforms and skills needed to transform this data into actionable insights are either lacking or need significant improvement. Generating reports or dashboards takes considerable time, hindering the ability to make timely adjustments to customer interactions or marketing strategies.	Platform decisions and data trust are confined to the departmental level. Customer segmentation is basic, often limited to demographics. While some point solution reporting exists (automated or not), there is no clear understanding of how marketing spend translates to improved customer experience or higher conversion rates. An integrated data store is not available to support these decisions.	Customer data is integrated across your organization, creating an innovative environment with pockets of data analyst expertise. Strong customer segmentation allows for detailed tailoring of the customer experience. While your cross-channel marketing strategy is well-informed, it could benefit from further optimization and data-driven validation.	Your data-driven culture enables you to deliver 1:1 personalization while continuously evolving and improving. Analytical data models, including machine learning and AI, allow you to swiftly adapt to specific customer interactions. You have a clear understanding of how marketing spend is attributed, enabling you to optimize both your content and strategy effectively.

Pace Yourself and Prioritize

While there may be many areas in the customer journey map that your team wants to improve or implement with technology, it's essential not to tackle everything at once. Start with one or two key customer experiences in the journey map.

Establish a Single Source of Truth

We recommend having one centralized, up-to-date data store where customer information—such as name, address, phone number, email, identification numbers, and any relevant hierarchies—is stored. A single source of truth will help increase data accuracy (ensuring the right personalization reaches the right people) and efficiency (saving your data analysts hours of reporting time).

For example, we worked with a real estate company that had 30 to 40 siloed Excel and CSV files of important information agents needed to manage properties. Quarterly reporting took three people 10 days to complete, and people didn't trust the data.
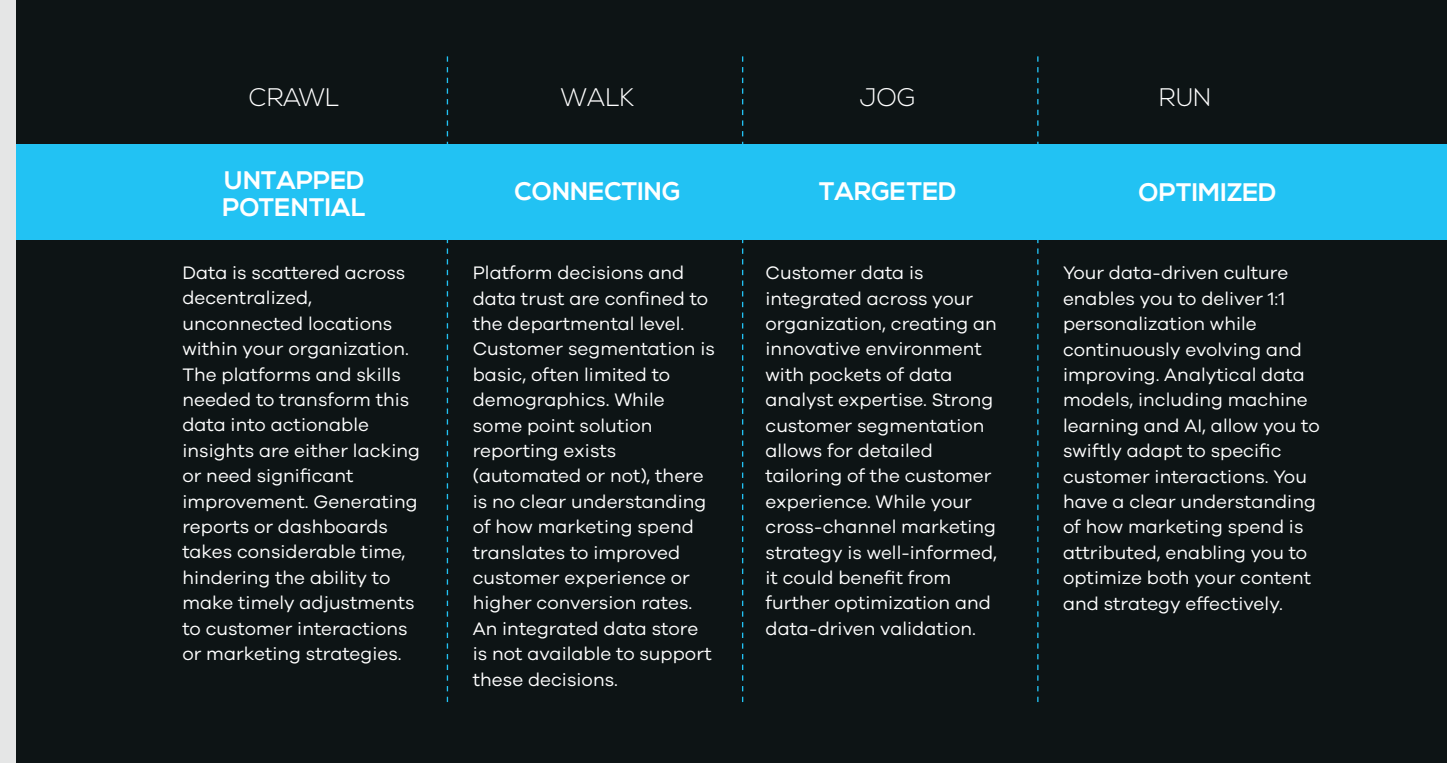
Together, we built a SQL Server database to consolidate and organize all the data in one place. From there, we created Microsoft Power BI dashboards from the data in the warehouse. Now, quarterly reports take one person one day, and agents always have accurate, specific data to do their jobs. No more inconsistencies, waiting for data, or skepticism about its accuracy.

Empower Teams with Reporting Dashboards

To develop dashboards like the ones mentioned above, review the customer journey map and ask, "What data do we need at every touchpoint to execute this vision?" These are the data variables that should populate your dashboards.

For example, dashboards for medical sales reps might need to include doctors' names, departments, hospitals, states, and purchasing history. Have key stakeholders confirm that all necessary variables are included in the dashboards before you build them. These visualizations will provide your teams with easy-to-digest insights that enable better, faster personalization.

Embrace Machine Learning and AI

The future of data analytics relies on an algorithmic approach, known as machine learning or AI (artificial intelligence). Machine learning and AI enable you to quickly gain insights from large amounts of complex data and respond to customers' needs in real-time. For example, machine learning models can recommend relevant retail products for customers based on seasonal trends, customer segments (e.g., needs and buying habits), and recent sales spikes for certain items.

Delivering machine learning or AI-enabled solutions won't happen overnight. You'll need strong leadership to provide a vision for your analytics team, from priorities to technologies. You'll need data experts with ETL (extract, transform, and load) skills who can collaborate via code repositories and work using Agile principles. Data scientists will be needed to build models and interpret their accuracy. Finally, someone will be required to deliver the data story or insights, translating technical and complex concepts into clear, customer-impacting strategies.

Get Started Now

Personalization isn't a one-time setup; it requires daily refinement, learning, and growth. The sooner you start personalizing in small ways, the sooner you'll gain valuable—and potentially surprising—insights about what your customers really want.

Get started now with the tips mentioned. **Your customers will be happy you did.**

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