The Four Competencies Of Marketing Individualization

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Welcome to a new era of marketing

Technology is the engine of brand engagement.

Even today’s offline interactions are powered or influenced by digital tools in the hands of marketers or their consumers. The great irony of marketing today is that we have a host of complex, expensive, and automated solutions that try, in one way or the other, to restore the inter-personal relationships of mom-and-pop stores or the neighborhood coffee shop. But the challenge is so much more complex when consumers bounce from channel to channel and device to device with such ease and frequency. Estimates of how extensive device hopping is range from 25% who switch between at least three devices daily to 41% who go online via smartphones several times per day.¹ Technology is largely both problem and solution for this challenge.

What we see is that efforts at personalization to try and regain that “intimate” touch are limited to content recommendations or offers because they are easiest to deploy at scale and require a limited set of inputs to be shown. On the other hand, individualization is a complete tailoring of the experience in response to an individual’s implicit and explicit intent. In this white paper, we examine the four competencies that constitute true individualization – recognition, analysis, contextualization, and engagement – and what is required from your processes, data, and technology as a result.

Marketers struggle to deliver an individualized experience

The need to master individualization rises out of heightened consumer expectations and the increased proximity to finding solutions to meet a consumer’s needs. Never before have there been more ways to connect with consumers and yet, as a consequence, have brands met more competition. Companies now grapple constantly with ways to differentiate in the market, turning the dials on product, messaging, service, offers and any other aspects they can think of. For marketing and sales in particular, data-driven tailoring of experiences can drive an ROI of 15-20% or more according to McKinsey.²

Customer experience as a business priority has exploded over the last 5+ years and it’s no wonder why: brands and analyst firms have demonstrated time and again the correlation between superior customer experience and higher revenue growth.³ For marketers, this has placed often uncomfortable scrutiny on the not especially customer first practices that constituted traditional marketing: batch-and-blast, one-size-fits-all outbound messaging across any and all places a customer might be.

Back in 2008, the Yankee Group suggested three stages of web evolution where types of technology drove new types of ecommerce and advertising activities. Web 3.0 – the “tomorrow” in their stages – is about the individual.

WEB EVOLUTION

Source: Yankee Group, 2008
As an industry, marketing is squarely in this third phase but struggling to do it well. For example, when it comes to data, only 32% of marketers say they have an average or strong capability for integrating user data from different systems into one profile store. Only 8% say that they use psychographics for personalization and the far and away leader, email address, is still only used by 57% of marketers. In other words, we’re barely scraping the surface of what it would mean to carry on continuous and contextual conversation with our customers.

So, how to proceed?

Embrace individualization as marketing mantra and discipline

As of today, you are taking the first step on the path toward an overhaul of how you think about and deliver engagement with the people who interact with your brand – whether they are anonymous prospects or known loyalists. You’re going to bring individualized marketing to your company and drive better outcomes as a result.

The ambition of personalization is “right message, right place, right time,” but that is still a very inside-out mentality that approaches an interaction from the marketer’s point of view and is limited to a message rather than the whole of experience. By contrast, the discipline of individualization is:

in·di·vid·u·al·i·za·tion

the ability to recognize an individual, establish their intent, and create a uniquely constructed, in-context interaction that facilitates progress along that person’s customer journey.

By necessity and definition, individualized marketing occurs dynamically and continuously, in real-time, and at scale.

Off to the RACEs! The four competencies of individualized marketing

There are four critical capabilities that, mastered and deployed together, make up true individualization. They are:

**Recognition** – The identification of an individual and an association of that person with any existing information about them from previous interactions and other systems, whether they are specifically identifiable or in an anonymous state. Example: a visitor to your site gets a tailored retargeted ad and then returns to the site and is recognized as the same unique person.

**Analysis** – The evaluation of that individual, based on all known and inferred insights, current actions and historical data, to determine their intent. Example: web analytics and email campaign data are unified to assess what constitutes the user’s decision journey.

**Contextualization** – The determination of which aspects of the experience must be changed, either in real time or as a predictive decision to best suit the individual’s needs, including content, functionality, and presentation.
Example: data about a shopper in the CRM is enriched with interest data from the DMP and used together in a tailored message.

**Engagement** – The delivery of the interaction to the user at the appropriate time (immediately or in the future) and in the right channel (current or future). Example: A customer event that takes place in CRM triggers a new experience in the mobile app.

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**Do an engine check on your processes, data, and technology**

For each of these capabilities, you must validate that your processes, data, and technology are up to the task. Any missing piece will result in more fragmented, ill-suited communications such as when:

- You change your password for an account with an online tool and then the company starts retargeting you with display ads to buy that tool.

- You pay your cell phone two days before it’s due and then get an email later that day reminding you to pay your bill that’s due soon!

- You’ve ordered from an online retailer with multiple sub-brands but your activity on each of their distinct sites has no impact on the other so you have to repeatedly filter, sort, and input to get what you need.

**Processes:** As a marketing organization, it is essential that there are shared standards for how to use the customer life cycle as the guide for all marketing engagement. This means being able to identify an individual across these phases using the different types and numbers of identifiers that can be used for recognition depending on the touchpoint. Furthermore, establish a common approach (and requirement) for testing and delivering the elements that constitute an individualized experience – content, functionality, and presentation – by channel and device.

Touchpoint owners, such as email, mobile app, advertising, or web, must further tailor these standards for their specific channels and communication plans. Furthermore, they need to coordinate with groups outside marketing that influence the channel, particularly in IT, and always ensure that a given channel’s activity is in concert with others’. This will ensure engagement of the consumer across the brands touch points.
Data: Many different types of marketing technology solutions leverage a customer data profile to store information about the customer. Problem is, those profiles – or the mechanism the profiles utilize, to be specific – are all different and don’t necessarily work for recognition purposes. This can be because they are limited to a single web session or exist in cookies only, meaning you don’t have a full historical view. A profile may also only work for certain channels and fail to provide synchronous data regardless of channel or device. Therefore, the analysis of the customer’s needs will be incomplete, resulting in a neutral, generic experience, or worse, a personalized one that is way off.

Take stock of the many (perhaps dozens) of customer data profiles you have in your campaign management, CRM, web analytics, email systems, and more and vet them against the five characteristics of the type of profile you want to use for individualized marketing purposes.

5 TRAITS OF A HIGHLY EFFECTIVE PROFILE

1. Collect for the individual (not aggregated or segment level)
2. Exists for anonymous and known individuals
3. Work across all channels (collect data from and make available to any channel or system)
4. Persist outside of a cookie or system
5. Serve as the link between disparate marketing tech solutions

Technology: The problem with trying to create a single customer view WITHIN one system, whether it’s an ecommerce tool or email services provider, is that it is inherently not neutral. It’s biased towards a given channel or system or function rather than toward the best approach to recognize the individual wherever she connects with the brand. Instead of thinking about creating one single store of data to rule them all, you should be treating data with a much more federalized approach, where you use a solution that was designed to slot in between all existing sources of data, as well as capture it at the source, to create a single customer view. An offering like a customer data platform may be of value to act as a tributary that collects and redistributes data wherever it’s needed rather than trying to pick one of the many solutions already in the stack. This is a crucial element in the contextualization of the user experience.
Recommendations to get started, build momentum, and take off with individualization

Mastery of the individualization discipline will be a deliberate change management exercise that takes time, resources, and widespread commitment. Your planning should account for activities over the next twelve months and beyond but this is what you should start doing right now to get underway:

**Audit your profiles.** 84% of marketers say they have a “weak” or “no” capability when it comes to distributing profile store data to different marketing technology vendors according to a recent study. Are you in that lucky 16%? If it is more likely you’re not, then you need to take a hard look at all the types of profiles that are storing customer data and see if they have all five of (or even close to) the important traits.

**Validate your customers’ life cycles.** Individualization requires that you not adhere to a vastly generalized set of steps that constitute the purchase path, but a life cycle exercise is incredibly useful for organizing clusters of information and content that closes the gap between mass marketing and engaging with a single person. Sit down with other marketing leaders and unify all the different versions (or create one from scratch if you haven’t done that yet) so you have a common starting point for organizing identifiers, content, etc.

**Assess common channel pairs.** In digital marketing, most organizations give themselves credit for integrated, multi-channel programs simply if they have a presence on several channels that any customer can engage with. That’s wholly inadequate and while the goal is to become touchpoint agnostic and simply engage where the individual is, that’s impossible for most marketing orgs. Instead, look at the most common digital channel pairs that marketing coordinates and evaluate why they go together and if a user’s actions in one actually influence interactions in the other. By starting with pairs of channels, you’ll efficiently learn how to expand into a “wherever, whenever” operation.

**Summary**

As a marketer, your success depends on your ability to keep pace with the remarkable changes your consumers are continuing to undergo thanks to technology. In some ways, it’s a return to the core principles upon which small businesses flourish – but the effort to scale that kind of intimacy requires a fundamental shift in your current approach to marketing. Mastery of the four competencies of individualization – recognition, analysis, contextualization, and engagement – will set you off to the races to building and sustaining the types of connections with your consumers that will help you achieve a new degree of competitive advantage in the market. Ready, set, go!
Appendix

1. GFK and Forrester
3. How do you like that for an alliterative conclusion?
4. James McCormick's seminal Forrester Research report on customer recognition published in 2013 laid out two very clear criteria for what is required to truly recognize a single person as they interact with your brand: “The association of an individual or segment across multiple sessions and channels AND the association of an interaction to a specific individual or segment. “
5. To be clear, there are substantial organizational and strategic components to be able to do individualized marketing. Those overarching challenges fall into a change management initiative, whereas here we want you to be powered with the specific roadmap that will help you build a business case and then execute on the need for these tasks. Most marketing orgs aren’t going to be able to start in on this kind of endeavor as currently structured or incentivized.
6. A category coined by David Raab in 2013 and added to Scott Brinker’s famous marketing tech landscape image in 2015
More About BlueConic

The future of marketing hinges on the ability to identify, understand, and interact with customers on an individual basis. It is our mission to drive better outcomes by translating intent into insight to improve marketers’ actions. More than 70 brands, including Volvo, Boston Globe, ING and Ahold, currently leverage the platform to drive cross-sell and upsell initiatives, increase conversions and decrease waste to grow incremental sales and revenue. Founded in 2010, the company is headquartered in Boston, with offices in Europe.

To learn more about BlueConic:

- Request a personal demo on www.blueconic.com/request-demo
- Visit our product knowledge base on support.blueconic.com

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