

GUIDE

Personalized Marketing 101

How to drive ROI with tailored campaigns



Table of contents

Introduction	3
<i>What do we know about today's consumers?</i>	
<i>What does this tell us?</i>	
Chapter 1: Why Personalization Matters	6
<i>Getting it right</i>	
<i>Stats roundup</i>	
Chapter 2: Knowing Your Audience	11
<i>Understanding segmentation</i>	
<i>Creating real-life personas</i>	
<i>Consumer journey mapping</i>	
Chapter 3: Working With Data	19
<i>Audience profiling</i>	
<i>Turning data into insight</i>	
Chapter 4: Getting Personal	26
<i>Content marketing</i>	
<i>Email marketing</i>	
<i>Retargeting</i>	
Chapter 5: The Authentic Factor	34
<i>Keeping it real</i>	
Conclusion	40
<i>Your next steps</i>	

Introduction

Today's consumers expect personalization, and brands who use data-driven marketing campaigns to deliver this are seeing the results.

According to recent [Epsilon research](#), 80% of consumers are more likely to do business with a company if it offers a personalized experience.

This shows that customers not only expect personalization, they value it.

But taking a more tailored approach isn't just about giving consumers more of what they want, it's about reacting to complex shifts in consumer behaviors.

What do we know about today's consumers?

STATS ROUNDUP



Half of online adults are now blocking ads on their mobiles or desktops - almost double the number reported at the beginning of 2015.



Online consumers are now opting for a multi-device approach to purchasing.



94% of internet users own a smartphone, which means ownership is virtually universal.



3 in 4 online adults are purchasing products online each month.



30% of online consumers are using VPNs.



98% of internet users are social networkers, meaning there's no digital audience that can't be reached via these platforms.

What does this tell us?

These facts tell us more than we think. As digital consumers become more fragmented, and ever-more challenging to reach, they're also taking more control over the marketing they're exposed to.

Using data to understand an individual's buying behaviors and preferences is a powerful tool in any brand's armoury, enabling them to target people on the right channels, via the right device, at the right time.

As consumer expectations change alongside behaviors, businesses have a huge opportunity to use the wealth of information at their fingertips. Using this to tailor their marketing to their audience, this means improving the customer experience, increasing engagement, and ultimately, driving ROI.

CHAPTER 1

Why Personalization Matters



Demographic data that groups people according to age, gender, household income, location and ethnicity no longer provides enough intelligence to connect with consumers.

Today, brands have access to deep data that quantifies an individual consumer's attitudes and behaviors, interests and perceptions, allowing them to go far beyond demographics.

The somewhat lazy pigeonholing of 'millennials' is a case in point. As marketing professor, Mark Ritson told Marketing Week UK, "The minute marketers start thinking all millennials are the same, they reject the behavioural and attitudinal nuances of a hugely heterogeneous population and collapse them into one big, generic mess."

While there are key differences that set each generation apart, there are also shared attitudes and interests that bind them. Smart brands will use deep insights to identify their audiences' shared interests and attitudes, while pinpointing the differences that make them unique.

Enter micro-targeting.

Micro-audiences came on the scene as a means of segmenting small groups of like-minded individuals to target and influence their thoughts or actions. It relies on understanding the target audience so well that marketers will also have a very good idea as to how these people will respond.

This kind of in-depth targeting is nothing new, but ready access to complex consumer data is changing how it's done.

From first-party insights into what a consumer has searched for on your site to third-party insights that reveal behaviors and perceptions...

Brands can now drill down in as much detail as possible to reach very specific audiences in a microscopic way.

This gives them the tools to deliver content that truly resonates.

Getting it right

In the 2012 United States Presidential campaign, microtargeting techniques were successfully used to appeal to voters on a personal level.

Barack Obama's team carefully targeted specific geographic voting communities that were yet undecided, with campaign managers collecting detailed information such as voter occupation, political history and home ownership status.

With this level of audience understanding on an individual basis, they could communicate with voters about the topics that were emotive to them, in turn influencing their decisions.

Obama won the popular vote by around a 3% margin, and the Electoral College vote by a 30% margin. These numbers show how personalization can help drive the right results, by tapping into the right insights.

STATS ROUNDUP



63% of consumers say they would think more positively of a brand if it gave them content that was more valuable, interesting or relevant. [\(Rapt Media\)](#)



Personalized email messages improve click-through rates by an average of **14%** and conversions by **10%**. [\(Aberdeen\)](#)



High performing businesses use data-driven targeting and segmentation **51%** more than underperforming businesses [\(Salesforce\)](#).

CHAPTER 2

Knowing Your Audience



Understanding segmentation

Customer segmentation is about dividing your customer base into groups of individuals that share certain preferences and characteristics.

This was once the starting point for every brand striving to better understand their target audience, whereby consumers were split into designated groups based on demographic data to drive more targeted campaigns.

But times have changed.

With the help of global data and platforms that track consumer behaviors and motivations on a massive scale, it's now possible to create custom audiences within seconds, and build accurate audience profiles. These go far beyond demographics, encompassing lifestyles, attitudes, self-perceptions and interests.

The steps that matter

1 Stop segmenting, start profiling

Audience profiling is now the most effective way to define, segment and target consumers in the digital space. With insights that quantify not only the *what*, but the *why* behind consumer behaviors, it's easier than ever to deliver the right message, to the right audience, in the right way.

This kind of profiling - analyzing interests, attitudes, behaviors and perceptions - is what makes personalization possible.

This ensures campaigns are highly targeted and brands are well positioned to make the most of their ROI, informing marketing strategy from end to end.

Types of segmentation



Demographic



Geographic



Perception-based



Behavioral



Psychographic



Interest-based



Attitudinal



Needs-based

2 Creating real-life personas

Buyer personas are fictitious representations of your consumers, created using in-depth insights into your target audience. These are used by marketers in every sector and can take various forms, helping to put a face and a personality behind the consumers they want to target, painting a more accurate picture of their lives, needs and wants.

Real-life personas add the emotional and behavioral component, helping brands to determine an end goal for each target consumer. This empowers marketers with the knowledge they need to get inside the minds of their target audience and build the radical empathy that's needed to make real connections.

Third-party data is invaluable for building out these personas and backing your assumptions with hard facts.

3 Map the consumer journey

The customer journey is a combined set of behaviors that customers display when they meet your brand, which grows ever more complex with increasing fragmentation across devices, channels and behaviors.

Customers and potential customers interact with brands in numerous different ways, via many different touchpoints, depending on their needs.

[Our latest research](#), for example, reveals that over half of digital consumers are now following brands on social media, and social networks are now the top product research channel among consumers aged 16-24.

This shows how social media is now playing a key role in the different stages of the consumer journey, but there are far more touchpoints to be identified by analyzing the buying process of each consumer group.

Many brands will identify and map several different journeys to get a complete understanding of the touchpoints that matter. To identify these journeys, deep insights are used to pinpoint the moments, devices and channels that offer the most potential to put personalization into practice.

Understanding this link between data and communications is the key to building connections that last.

As Mahesh Kolar, Director of Mobility Applications at NTT DATA says: “We believe that customer journey mapping is vital for giving organizations the ‘Aha’ moment when it comes to understanding their digital possibilities.”

STATS ROUNDUP



3 in 4 online adults are purchasing products online each month.



Mobiles are set to overtake PCs/laptops as the top commerce device.



Online shoppers are now opting for a multi-device approach to their purchasing habits.



Social media represents an important force at each stage of the purchase journey

CHAPTER 3

Working With Data



Audience profiling

The first step in achieving personalization lies in understanding your target audience. This means going far beyond demographics to take an in-depth look at their interests, attitudes, perceptions and behaviors.

[Audience profiling](#) is about gathering the insights needed to do this.

This is where robust consumer data that quantifies consumer behaviors and perceptions come into play, guiding your brand every step of the way to ensure you stay as close to your consumers as possible.

With tools like [GlobalWebIndex](#) that eliminate the need for guesswork, a marketing strategy can meet consumer demand for audience-centric content that's *targeted*, *personalized* and *responsive*.

This can be applied to your entire marketing strategy from end to end in the following ways:

The 4 stages to know

By tying these four stages back to your key objectives and the brand metrics that matter, you can shape a tailored campaign that gets results.



Segmentation

Splitting your audience into targeted groups that align with your goals.



Engagement

Identifying where and when to place your creative.



Messaging

Using consumer insights to shape a message that will have impact.



Measurement

Analyzing the metrics that matter to drive a greater ROI.



Personalized marketing proves a brand's dedication to their consumers. It shows they've gone the extra mile to get to know who this person is. In today's mass-media world, this is an essential step in making real connections.

Tom Smith, CEO, GlobalWebIndex



Turning data into insight

Creating personalized messages that resonate starts with understanding the perceptions and behaviors you want to shift.

Using audience profiling to quantify the perceptions that are blocking or powering repeat purchasing gives you the tools to know what to say.

Brands have access to a wealth of data, but giving this data the leverage it needs to drive meaningful creativity lies in the creation of insight. After all, a fact, a finding or a data point without context is worthless.

The path to identifying an actionable insight that will drive sales lies in matching your consumers to your objectives, and asking the right questions.

Here's how it's done.

How to do it:

- 1 Quantify current perceptions of your brand.**
How can I split my audience into targeted groups that align with my goals?
- 2 Validate the perception changes that will drive revenue.**
Identify the perceptions that will drive or block repeat purchasing.
- 3 Create a message that will change perceptions.**
Define and test a message that will successfully change perceptions among your target audience.
- 4 Package this message into engaging formats**
Turn your messaging into engaging campaigns that will have impact.

Top tip



Having trouble uncovering the insights you need? Browse the wealth of ready-made reports in [GlobalWebIndex](#) to get straight to the stats that count. Explore the audiences, markets and trends that matter in minute detail with expert analysis that's pre-made and ready for use.

Questions your data should answer

To put marketing that works into practice, you need data that will answer the right questions.

- ✓ Am I targeting the right audience?
- ✓ What defines this audience?
- ✓ What matters to them?
- ✓ What motivates them?
- ✓ What interests them?
- ✓ Who and what do they follow?
- ✓ Where and when can we reach them?
- ✓ What are their perceptions of our brand?
- ✓ Which perceptions drive or block purchasing?
- ✓ How are they interacting with us?
- ✓ What does their purchase journey look like?
- ✓ What are the touchpoints that matter?
- ✓ What trends can we identify with these consumers?

CHAPTER 4

Getting Personal



Tactics that work

Once you have access to the data you need to create a [pen portrait](#) of your audience, you can start putting personalization to the test. While many tactics and tools are used to make this work, some stand out above the rest.

1 Content Marketing

Content marketing is defined by the Content Marketing Institute (CMI) as 'a strategic marketing approach focused on creating and distributing valuable, relevant, and consistent content to attract and retain a clearly defined audience – and, ultimately, to drive action.'

The [institute's research](#) shows that content marketing has become an almost universal tactic, with 90% of companies using it in 2016, and even more utilizing it in 2017.

Successful content marketing not only carefully considers the target personas in question, it relies on both real-time analytics and third-party data to understand what, when, where and how will resonate best.

Consumers value content that is *useful, relevant and entertaining* to them, so the more tailored it is, the better it will perform.

Not only this, today's consumers expect personalized content. Surrounded by the likes of Amazon's recommended purchases, Netflix's 'what to watch next', and Spotify's 'Discover Weekly' service, these brands are setting the standard when it comes to content.

Getting it right

On average, three million people sign in to use the BBC's websites and apps per month.

In a bid to get more personalized, the channel introduced recommendations for programmes and alerts about world events, hot topics and subjects users may be interested in.

From October to December 2016, people who were signed in spent over 20% more time watching, listening and reading content on the websites and apps each week than those who were not signed in.

This shows how taking tailored approach with the help of data can increase engagement and drive brand advocacy.

2 Email marketing

Email marketing isn't going anywhere. In fact, it's playing a more important role than ever in delivering against marketing and wider business targets.

According to Econsultancy, three-quarters of companies agree that email offers "excellent" to "good" ROI.

But the kind of email marketing that works with today's consumers is evolving fast. Research by [The Direct Marketing Association](#), shows segmented and targeted emails generate 58% of all revenue.

Improved segmentation and targeting enables you to personalize your approach and, in turn, drive revenue.

Getting it right

Netflix is one brand that has been leading the way in personalization, using their recommendation engines to tailor content to their users.

With their success proving the appeal of targeted messaging, they decided to extend this level of personalization to their email communications.

Harnessing their own consumer data, Netflix issue tailored emails to their users, recommending movies to them based on their past activities and interests.

By providing custom recommendations of this kind, the brand ensures its users are actively seeing value from their subscription, while proving their understanding of - and dedication to - their consumers.

3 Retargeting

For many, only 2% of web traffic converts on the first visit to your website. Retargeting is a tactic designed to help brands reach that 98% who don't convert right away.

Content retargeting means serving customers with content specific to their needs, interests and journey stage. Tactics can include campaign mirroring, retaining past searches and re-engaging through blogs.

Aligning your content in a personalized way allows you to streamline the customer's experience of your brand throughout their online journey.

But while retargeting can prove effective when done right, using unreliable data - solely tied to cookies as opposed to real people - can have a detrimental impact on your brand.

Getting it right

[P&O Cruises Australia](#) was initially retargeting website visitors by simply displaying its latest retail offer via a standardized banner, but it wanted to get more personalized in order to boost ad performance.

The company began using dynamic creative technology, which retargets consumers with more relevant content based on their previous actions taken on the company's website.

As Madeline Wong, Digital Marketing Executive, told [CMO.com](#) from IDG, "By someone seeing a display banner that is more relevant to them, it increases the propensity for them to click.

We've seen a 60% increase, which we think is fabulous. For us, it is about incremental increases on the board, but so far we have surpassed our initial expectations."

CHAPTER 5

The Authentic Factor



Keeping it real

The continuous rise of consumer power and increased demand for transparency means brands are under increasing pressure to be authentic.

Social media has led the way in forcing companies to be more up front, to be real, and to listen to their customers

This shift has forced brands to think again, and at the heart of being authentic is being able to demonstrate that you know what your customers think and feel, and that you can anticipate their needs.

By matching their brand experiences to your data, you can show that you care about what they want. This not only boosts loyalty, but offers a human - or authentic - face to the brand experience.

As Ashley Deibert, Vice President of Marketing at iQ Media says: "Those that have embraced authenticity and transparency (Dove, Airbnb) find consumers will do the marketing for them. Those that have fought it (Uber, Pepsi) continue to struggle to regain footing with an audience who will watch their every move, waiting to pounce when the first signs of negativity arise."

As reported in [Creative Review](#), people no longer want to be sold to, they want to feel part of a brand's story. Data that taps into people's perceptions and behaviors makes this possible.

For example, some brands try publicity stunts and influencer marketing on social media in an effort to achieve huge reach, but those that use data and apply insights can cleverly create laser-focused content and messages, tailored to a targeted group of people.

This audience will respond much more favorably to content they see as genuine, valuable and on-brand.

Top tip



Not sure where to begin? Start by analyzing your target consumers' interests and online behaviors in [GlobalWebIndex](#). From here, you can identify the tactics, topics and influencers that will have the most impact.

Getting it right

Those that have embraced authenticity and transparency find consumers will do the marketing for them. Take Dove, for example.

When it began its campaign for Real Beauty in 2004, its mission statement was: “beauty should be a source of confidence and not anxiety.” Continuously aligning its marketing with this key message, the brand could shift perceptions to position itself as a champion for women’s empowerment, changing the conversation around beauty.

The [Dove Real Beauty Sketches](#) campaign proved the power of being authentic by focusing on the brand’s core mission, using real people who were more relatable to their target audience, and creating an emotional connection with its core consumer group.

It was the most viewed viral ad campaign of 2013 with nearly 135 million views.



The reason authenticity is so important today is because people will simply no longer buy from inauthentic brands. The art of spin is becoming more and more redundant.



Sue Unerman, Chief Transformation
Officer at MediaCom UK

Personalized marketing checklist

Five key considerations when creating personalized marketing campaigns

- ✓ Know who you're targeting by interrogating complex data.
- ✓ Use consumer data to build out real-life personas of key members of your target audience, and personalize your communications for each group.
- ✓ Use dynamic content to personalize the customer experience based on customer interests or browsing behaviors.
- ✓ Find out what your audience wants on social media by using data to discover when they're likely to be online and what kind of content they engage with.
- ✓ Bring all your data together to create a single customer view, enabling you to deliver a consistently personalized experience, regardless of touchpoint.

Conclusion

Personalized marketing is only as good as the data it uses, yet many brands are relying on unreliable or inaccurate data to achieve this, wasting budget and tarnishing the practice.

To get it right, there's a pressing need for a more comprehensive understanding of your consumers - from how they interact with your brand to the bigger picture concerning their interests, attitudes, perceptions and behaviors.

With this knowledge, you can deliver tailored marketing that resonates with the individuals you're targeting, ultimately impacting your bottom line.

Your next steps...

Most marketers are already using audience profiling tools to get more personalized. We hope this guide has given you some actionable tips on what to do next.

Start by creating your free account with GlobalWebIndex, and get to know your audience better.

[GET FREE ACCESS →](#)

About GlobalWebIndex

As home of the world's largest survey on the online consumer, with data representing 2.6bn internet users across 42 countries, the GlobalWebIndex platform makes it easy to achieve personalization at scale.

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