

Whitepaper



# Global Leaders Debate Personalization

Personalization – good practice, bad habits,  
and the effect on customer experience

*freedom  
to create*

# Foreword

In November 2018, analyst firm Forrester held its CX Europe Forum in London, bringing together more than 500 leaders in customer experience (CX) from across the world.

We have a historical amnesia about developments in IT and management, perhaps because the fields are evolving so quickly.

Today's CX buzzwords – including 'eliminating silos', 'customer delight' and 'personalization' – all date from around the end of the Cold War, when American firms were looking to gain an edge to fend off global competition.

Today, we have the technology to deliver a personalized experience – but can that technology match a human being when it comes to appreciating personal characteristics and preferences?

This dichotomy between human and machine comes up repeatedly in talk of customer experience. And right now, machines aren't popular.

IT is facing a legitimacy crisis as we find more societal ills to pin on it. Computers stand accused of stealing jobs from humans, killing people (in the case of autonomous vehicles), triggering financial crashes through automated trading, and exposing personal data to sinister forces – from cyber criminals to rogue dictatorships.

Given this, can CX professionals find a happy medium to deliver personal experiences via digital media?



**Professor James Woudhuysen**

*Visiting professor at London South Bank University and regular broadcaster on Sky News*

## About the discussion

After the first day of the CX Forum, we invited a select group of speakers to join us for a roundtable dinner, chaired by Professor James Woudhuysen of London South Bank University.

The guests represented a range of industries, including hospitality, banking, publishing, retail, and online gaming. We also welcomed industry analysts from Forrester.

The discussion was lively – reflecting both the guests' professional opinions and their personal experiences as customers.

This report gives an account of the discussion and offers guidance that brands should consider when building their own customer experiences.

# Privacy and Consent

Can the convenience of personalization survive the privacy backlash? Thanks to headline grabbing scandals about the way organizations have lost, given away, or misused our data, there is a risk that consumers will become less willing to share the information needed by companies to offer personalized services.

Guests at the dinner broadly agreed that with the proper consent and context, brands can offer greater value to customers through personalization.

A research director for CX from an analyst firm said, “It’s important, however, for a customer to know that things are being personalized. If this personalization is based on data you’ve collected about me, I’d like to know about that.”

But not all consumers feel this need. One head of client experience from a major European bank illustrated how successful personalization depends not so much on how brands use data, but how they present the personalized content back to consumers.

He illustrated this with an example:

The bank’s customers were underutilizing their loyalty points, so the client experience team decided to push the points through the bank app in the form of store coupons. “It’s all about the message,” he said. “When we contacted customers with discounts for a store they often visited, simply saying, ‘Here are some vouchers,’ that was well received. When we did the same thing, but said, ‘We notice you’re at that store for the third time this week,’ that was creepy.”

# Get the Basics Right

Are brands investing in style over substance? Guests at the dinner had much to say about poorly implemented personalization.

censhare's former Global Head of Marketing and frequent flyer Ian Truscott pointed out that it's all very well when an airline cabin crew 'remember' his name (thanks to the information being relayed to them automatically), but this personal touch rings hollow when a flight is delayed, or his luggage is lost. As a consumer, it feels like an insult when brands dedicate more resources to personalization than providing a solid basic service.

As Cathy Thomson, Global Head of Customer Experience at Hostelworld Group, pointed out, "There's a hierarchy of needs in personalization. You've got to get the functional right before the emotional."

Just as consumers dislike their personal information being misused to direct personalized services at them, they also find it annoying when brands fail to use volunteered information correctly. Matt Mullen, a former industry analyst and now digital experience expert at censhare, said, "I shouldn't need to give my information to a system twice. Delighting consumers is great, but most of them would settle for 'don't annoy me.'"

## Contributed research: THE CONSCIOUS CUSTOMER

**In early 2018, Verint worked with Opinium Research LLP to survey 36,000 consumers across 18 countries.**

The respondents were asked for their desires, demands, and concerns about customer service, technology, and data.

Verint – along with Professor Woudhuysen – used this data to help make predictions for customer service in 2030 and what steps organizations should take to be prepared.

The report drew six conclusions; three are particularly relevant to the discussions in this report:

**The human element will still be vital to form an emotional bond, or surprise and delight the customer.**

- 68% of consumers are concerned their query will get lost or misunderstood by fully automated services like chatbots.
- 2016: 24% preferred speaking to someone on the phone.
- 2018: 30% preferred speaking to someone on the phone.

**Digital and automated services will play a vital role for customers, adding convenience and simplicity. But don't let technology pretend to be something it isn't.**

- 48% of consumers said that their service provider's digital or self service channels provided a better overall experience.
- 47% of all consumers said they won't engage with an organization that doesn't have a good website or mobile app.

**Businesses must be transparent and responsible in the way they collect and use customer data.**

- 71% of respondents worry how much data organizations have about them.
- 37% of consumers said they were happy to provide their personal information in exchange for a discount or special offer.

**This research comes courtesy of Marije Gould,  
Vice President of Marketing, EMEA at Verint  
[www.verint.com](http://www.verint.com)**

# The Human Touch

What are the limits of automated personalization? As Professor Woudhuysen pointed out at the start of the dinner, we shouldn't necessarily see personalization as a result of technological advances.

For centuries, barkeepers, butchers, and bakers have forged relationships with their customers and tailored their services to each customer's needs. And they didn't need CRM systems, data scientists, or tracking cookies to do it. They used their judgement and experience to understand the people behind each transaction – plus they had the advantage of working at small scale.

One CX professional from an Italian high fashion brand said, "It's easier to give a more personalized experience in store. We can better understand that person face to face compared to when we have to build up a picture of them via an internet connection."

Guests discussed the fact that in the UK, counter staff at sandwich shop chain Pret a Manger give out freebies to customers at their own discretion. This prompted much speculation as to the business logic behind it – not to mention splitting opinion on how effective it would be – as you might expect from a bunch of CX professionals.

Sophie Wilkinson, Head of Editorial Operations at Hearst UK, said, "They're not basing that personalization on data they've collected, but on that interaction in that moment – and I think that's nicer."

This 'one customer at a time' approach applies even more for the very wealthy. Hotels and banks keep databases of preferences for VIPs.

These are maintained manually, creating a relatively high cost of personalization. But when it means retaining high spending celebrities and dignitaries as customers, the returns outweigh the investment.

And, the VIPs don't seem to mind. Cathy Thomson of Hostelworld, said, "The medium of personalization makes a huge difference. People respond very differently to digital personalization compared to a hotel listening in on their conversation to see what dessert they prefer."

# Lifetime Customer Value

How can brands foster long lasting relationships? Las Vegas casinos know that inexperienced gamblers who lose all their money in the first hour are not good customers. Most simply don't come back.

Casinos employ staff to walk the floors looking for people who fit this profile and offer them bar or restaurant vouchers to get them away from the tables when it looks like they're on a losing streak. Interestingly, human beings with their ability to take in subtle social and emotional cues can do this much more efficiently than any machine – for now.

One guest showed his exasperation at his supermarket bombarding him with offers for strawberries when he already bought them regularly. “Surely, the supermarket should be offering me an incentive to buy something I don't normally buy,” he said. “That way, I would feel rewarded for my loyalty and the supermarket would increase the range and value of products it can sell to me.”

A principal analyst for customer insights said, “Marketing might want to sell that customer strawberries because they have a high propensity to buy them. But, on the other side, if we can see this

customer has been struggling to make a payment on the website or return merchandise, we should be able to arbitrate between conflicting signals and make the right decision to keep this customer happy and loyal to the brand. It's about understanding which journey leads to increased lifetime value.”

One guest from an online gaming company stressed the importance of being able to demonstrate the lifetime value of a customer and how commercial decisions affect that.

He and his team have been working to measure this. “If I can prove that removing a payment charge that brings in €X a year will improve the customer experience – with a net gain of €Y million over the lifetime of a customer – that's an easier sell to shareholders,” he said.

# censhare's Conclusions

What was clear was that customer experience is a balancing act. As Ian Truscott reflected, the best personalization goes unnoticed. It's about being attentive but not overly familiar. It's about remembering personal preferences but respecting privacy. And it's about resisting the urge for short term gain in favor of longer, more fruitful relationships.

The debate was lively, and everyone left inspired by the topics discussed.

All who attended agreed that creating good customer experiences is about using data in the right way. Whether that data is stored in a bartender's head or in a data lake in the cloud, surfacing the right information at key moments makes the difference. A principal analyst for customer insights wrapped up the dinner with a couple of forward looking technology insights. He said, "I'd like to see data driven segmentation using analysis to surface non intuitive segments – or cohorts – of people who act the same way."

And he left a hint that the way we deliver content to customers – using a one size fits all approach – is on the way out. "We've been able to analyze the

customer for a long time," he said. "But now, thanks to deep learning, we can analyze the different combinations of content that make up the ideal experience for each particular customer."

Now here's the censhare bit: we've built our universal content management platform to deliver content based on these insights. And it's improving all the time. By removing the silos that constrain your content, censhare helps you deliver the ideal content in the most relevant way for any channel and customer experience.

To find out more, visit our website to see how customers like Jaguar Land Rover, Slimming World, and McDonald's are making their content work harder.

## **about** censhare

Our pioneering, universal content management platform lets you connect with your audiences on any channel, in any language, locally or globally. Clients like Allianz, Dyson, Christie's, Lufthansa and many more have already discovered new freedom to create and deliver consistent quality content with exceptional efficiency.

Contact us at [www.censhare.com](http://www.censhare.com)

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