Omni-Channel Personalisation Powered by Customer Data Platforms

Published by

CUSTOMER DATA PLATFORM INSTITUTE

231 2nd Ave, Milford, CT 06460
www.cdpinstitute.org

Sponsored by

ZEOTAP

c/o WeWork, Stresemannstraße 123, Berlin
www.zeotap.com

Table of Contents

Introduction

Personalisation can be defined as delivering customer experiences based on data about an individual consumer. Not so long ago, it was limited to simple treatments like addressing the customer by name. But easier access to more detailed data about customer profiles and behaviours made possible much more sophisticated approaches, selecting the best products, offers, images, messages, and channels to meet individual customer needs. Today, consumers' expectations have been set by personalisation leaders, such as Amazon, to expect every aspect of their experience to be tailored to their data. In fact, many will stop buying from a company that doesn't offer a personalised experience. And, since personalisation delivers clear financial benefits, businesses are eager to meet the consumers' expectations.

Personalisation Use Cases

ZEOTAP CDP

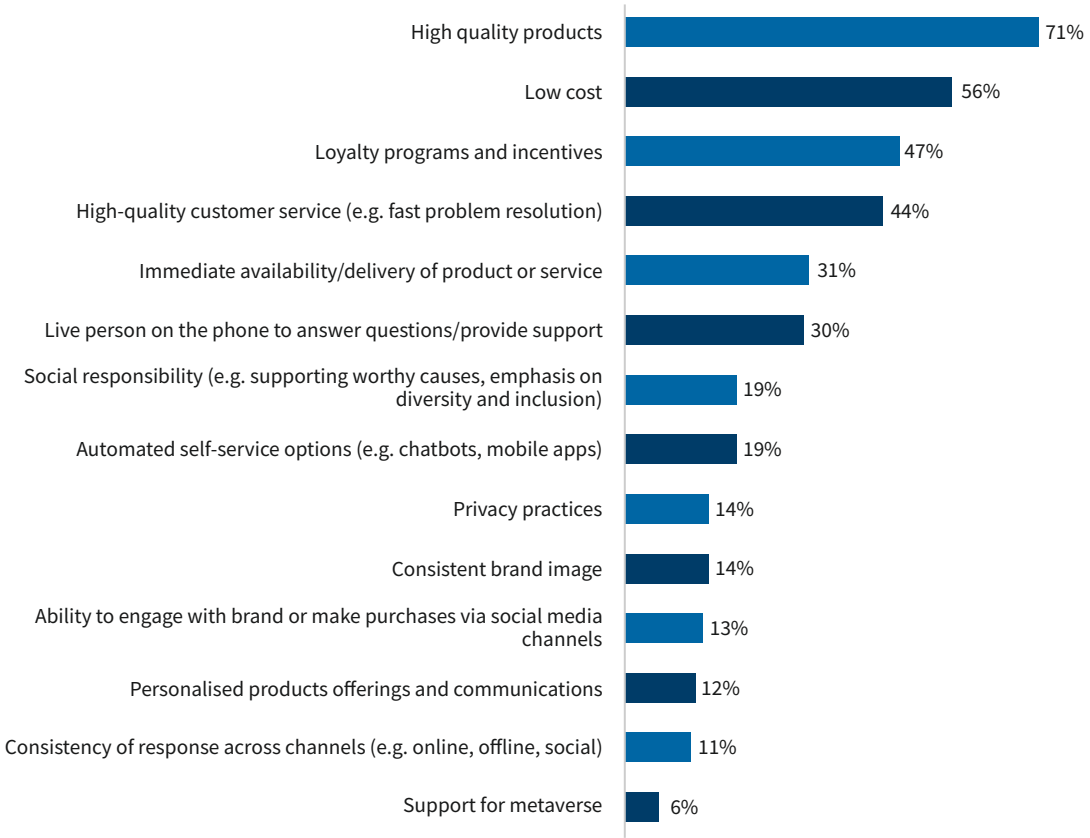
Personalisation Use Cases

It's important to recognize that personalisation adds value to all company operations, not just marketing.

While personalisation of promotions in websites, email and other touch points is a heavily used use case, it is not the only one. Product quality, cost, and service head the list for building customer loyalty, along with incentives such as discounts and loyalty programs. While consumers may not see personalisation as contributing to these other factors, it can in fact play an important role.

What customers want

What are the most important factors for a brand to win your loyalty today?



Source: CMO Council, Real-Time Customer intelligence for Exceptional Experience, 2023

- **Balancing Product Excellence and Affordability:** Consumer viewpoints are shaped by messages highlighting specific dimensions of product excellence and affordability that resonate most with them individually. Following a purchase, businesses have the opportunity to customise delivery, installation, and educational procedures based on individual customer requirements. These personalised adjustments enhance overall satisfaction with the product, even if customers are not overtly aware of the tailored end-to-end journey. This covert customisation significantly contributes to their perception of the product's caliber and the value they have gained.

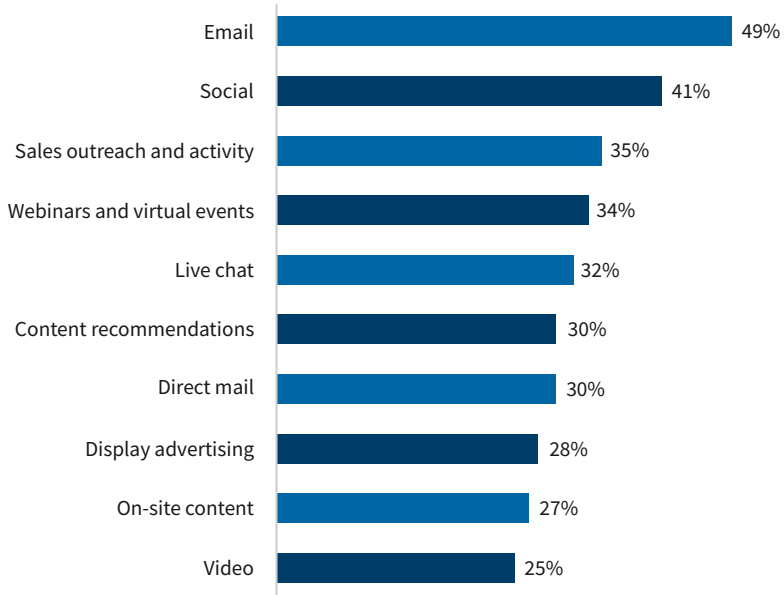
- **Post Purchase Support:** Support teams can deploy personalisation by giving customer service agents and chatbots access to full customer history. This entails monitoring product utilization, foreseeing potential issues, automatically directing customers to appropriate agents, providing automated solution suggestions, and leveraging customer data to simplify operations like managing returns and facilitating subsequent purchases. However, a number of these advancements might go unnoticed by the customer or may not be immediately recognised as personalised enhancements.

- **Sales and marketing**: Personalisation is commonly associated with promotions based on a customer's purchase history. But its scope within sales and marketing includes much more. Sales teams can select the best contacts within each company and create messages tailored to that contact's behaviours and interests; identify buying teams and the roles that individuals play within each team, prioritise outreach based on lead and opportunity scores, and improve sales forecasts by estimating deal value, timing, and likelihood to close. Marketing teams can personalise product recommendations, content selection, offer selection, channel selection, message timing and frequency.

- **Privacy and compliance**: Personalised messages can collect information directly from customers, requesting different items from different individuals depending on what's most useful in their current situation. Consent messages and mechanisms required under rules such as GDPR can be tailored to what will be most effective for each individual, based on their history and attitudes towards privacy. Explanations of privacy and security practices can be adjusted to each customer's level of understanding and interest.

Useless of Personalisation

Which of the following digital experiences and content do you personalise?



Personalisation Depends on Data

ZEOTAP CDP

Personalisation Depends on Data

The common factor in all these uses of personalisation is customer data. The data may appear in messages sent directly to a customer or the data may control decisions that the customer never sees. Either way, it's using customer data to make different choices for different individuals that adds value. In order to create the most value possible, this data should be:

- **Complete:** This doesn't necessarily mean that you must collect every bit of customer-related data from every system that collects it. Rather, you should include all data that has an identifiable use, either now or in the future, and is of adequate quality. This will still include a great variety of data from many different systems. Being purposeful in your data collection will reduce costs and security risks without sacrificing the value of a complete customer view. In many firms, a data lake will already be assembling the raw customer data needed for your personalisation efforts. This enables you to pull a subset of that data into your customer profiles, while still retaining other data that might be needed in the future.

- **Unified:** Selecting the right sources is just the beginning. The data must be cleaned, standardised, and merged to create a unified customer profile. This unification process is essential to understanding each customer and managing consistent, cross-channel experiences. The process relies on matching functions that determine which customer identifiers relate to the same individual and maintain those relationships over time. These functions often employ third-party data to identify matches which cannot be inferred from a company's own data by itself.

- **Real time:** Ideally, the unified customer profiles would be updated immediately as new information is captured about each customer. In practice, this is not entirely possible: some data sources cannot share their information in real time, and it may not be practical to reassess all identity matches every time a new piece of information is added or to rebuild profiles every time a new identity match is

found. Still, there are ways to make new information available in real time even if the profiles are not fully rebuilt. And, even when the profiles themselves are not updated immediately, there is a separate requirement to let external systems access the existing profiles in real time as needed. This supports applications such as website personalisation and giving call center agents a complete view of the profile of the customer they are dealing with.

- **Distributed:** The customer profiles must be available for use by every system that needs them. This enables the company to ensure that all interactions are based on current, complete, and consistent customer data. Distribution is most commonly managed by an API connection but might also be supported through queries or file exports. Distribution of individual records needs to be available in real time, but access to large groups of records, typically for analysis, can be slower.

Unified Decisions

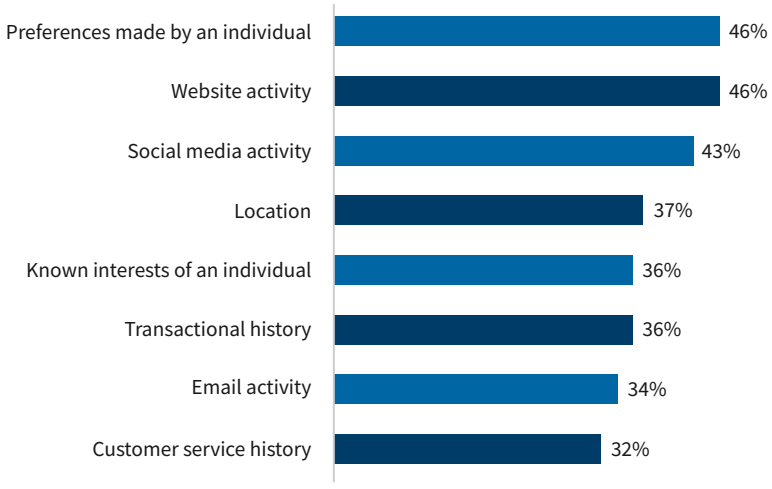
Complete, unified customer data is the bedrock of personalisation. But simply sharing this data with separate systems carries high risk of inconsistent customer treatments as different systems apply their own rules.

The alternative is to deploy a single personalisation engine that makes decisions for all channels and distributes the result of those decisions. This enables consistent treatments and sophisticated orchestration of customer interactions across all channels. While the advantage of centralised personalisation decisions are clear, they also reduce the autonomy of individual channel systems and managers who are used to running those systems. This introduces technical and organisational changes that must be managed carefully to ensure success.

The personalisation engine might be part of the same system that manages the unified profiles or it might be a separate tool. In fact, the personalisation engine itself might be assembled from several tools that perform specialised functions such as predictive modelling, recommendations, content management, creative optimisation, and data distribution

Data for Personalisation

What data do you use to create a personalised experience for your prospects/clients?



Requirements to Create Unified Data

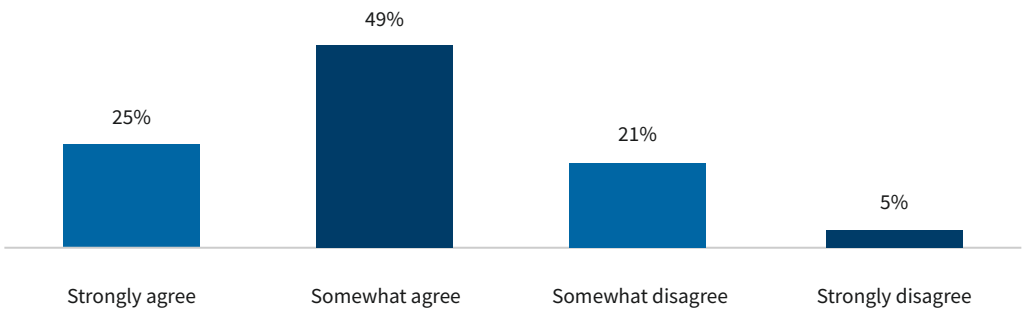
ZEOTAP CDP

Requirements to Create Unified Data

Although unified data is the ideal source for personalisation, many companies must make do with less. In fact, just 25% of marketers in one recent report said they have access to all the data they need for marketing personalisation.

Data is Rarely Complete

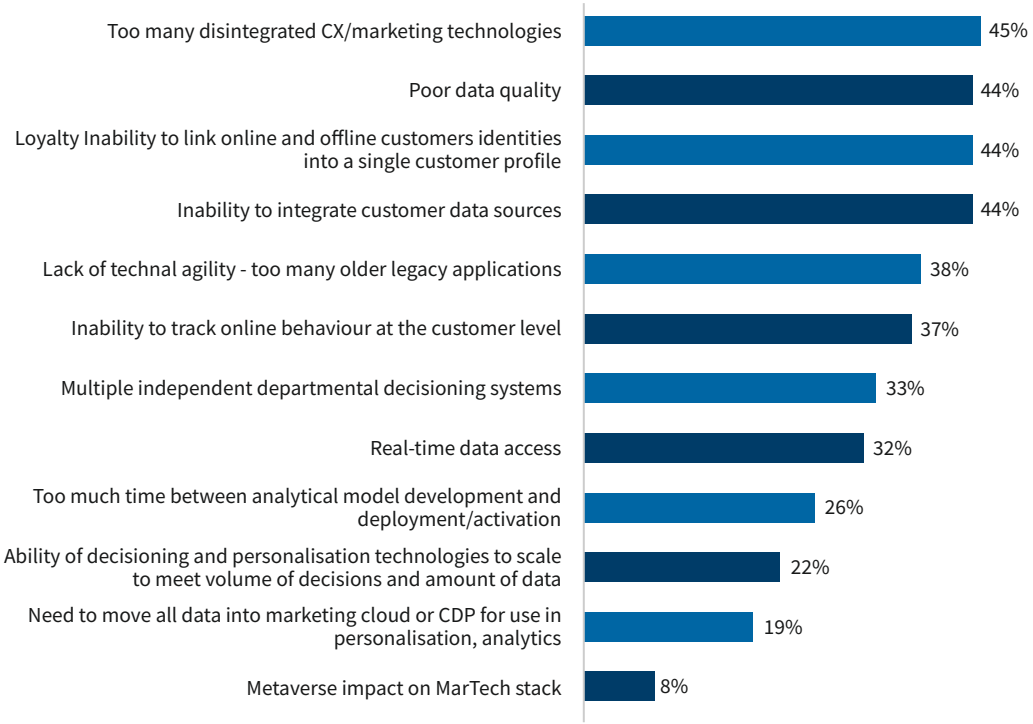
I have access to all the data required to improve marketing personalisation



Source: ON24, The State of Digital Maturity in Europe, 2023

The problem starts with source systems: websites, CRM, email, mobile apps, DMPs, ecommerce and others are independent systems that are usually designed to work with the data they generate internally. Many have few or no capabilities to incorporate data from external sources. Even systems that are designed to work with imported data, such as email engines and many website personalisation tools, typically rely on a single data type as input. These systems generally lack the data collection and preparation features needed to build unified customer profiles.

CX Technology Challenges



Source: CMO Council, Real-Time Customer intelligence for Exceptional Experience, 2023

The alternative to existing source systems is for companies to build or buy systems that are specifically designed to create unified profiles. These might be a home-built data warehouse or a packaged Customer Data Platform. Whether the system is built or bought, it needs to provide key capabilities including:

- **Connectors:** The system needs to collect data from multiple sources including websites, CRM, email, and transaction systems. This may happen directly or by reading data that has already been loaded into a data lake or data warehouse. Some Customer Data Platforms provide their own tags to collect data directly from websites. Data from other sources is usually collected through API connectors if the source supports it. Other options include running queries against the external system's database, ingesting streaming data as it arrives, or importing batch files from systems that do not allow direct access. The appropriate technique is generally determined by what the source system allows. The connectors must load the data into a data store where it can be processed further.

- **Identity management:** The processing flow to prepare data for eventual use includes general preparation steps such as cleaning and standardisation, which are common to any data loading procedure. In addition, preparing customer data requires assigning each customer to a master ID: a persistent customer identifier that will remain attached to the same person over time. This identifier is mapped to identifiers provided by the source systems, such as a cookie number, telephone number, postal address, email address, or account number. One person may be linked with several of these source identifiers. The linking process may use a variety of matching techniques, including direct match (email to email), deterministic match (email linked to device ID where the email is regularly opened), fuzzy match (Bob Smith to Robert Smyth), and probabilistic match (comparing several attributes or behaviour patterns to determine whether they likely refer to the same person). The system must be able to accommodate changes in the system identifiers, such as a person getting a new phone number or email address, without changing the master identifier. This enables it to track the same person over time. Identity management is increasingly constrained by privacy regulations that determine which data and identifiers are available to use for matching.

- **Profile creation:** Once new data has been linked to the customer identifier, the associated information can be merged into the unified customer profile. In some cases, the data will simply be added to a file with no further processing. In other cases, the system may need to determine which version of a particular data element is considered correct, such as choosing among alternative spellings of a name or deciding which postal address is current. There will often be additional processing to create summaries, such as calculating the cumulative value of purchases over time, and to create derived variables such as “days since last website visit”, predictive model scores, or segment assignments. A value such as “days since last website visit” might be recalculated every time it’s used, while other values, such as “date of latest website visit” would remain static until new data forced an update. As these examples suggest, profile assembly can be a complicated process and systems vary greatly in what’s possible and what skills are required to maintain the process.

- **Real-time access:** Some parts of the identity management and profile assembly processes may run in real time, although most usually will not. But once the profiles are built, there is an absolute requirement for real-time access to their contents to support key applications such as website personalisation. This usually starts with an external system making an API call that provides identity information; the customer data system then uses this to find the correct customer profile and returns some or all of the profile information to the external system. The flow might also include checks against consent records and privacy rules to ensure the system only returns data it can legally provide for the intended use. In some cases, the returned data might include information that's not stored on the customer profile, such as local weather conditions or inventory levels. Requests to extract data on multiple customers generally do not require real-time response, since they are supporting analytical processes such as model building or reporting. Because real time response often requires data to be stored in a special format, it's common to require users to specify in advance which data elements will be made available for real time access. As with data collection, specific connectors are often needed to support data access by particular external systems.

Making It Happen

The value of customer data is clear and so are the requirements. But each company will follow a different path to achieving those requirements, based on its current situation and resources. Identifying the best path forward requires:

- Identify which applications are currently using customer data and how they are acquiring it. In particular, are they reading customer profiles from a shared central system, or is each application collecting data from source systems on its own?

- Identify additional data that could improve the performance of data-driven applications. This may include new data elements from systems that are already providing data and data from systems you have not already integrated.

- Review processes used to prepare customer data and identify opportunities for improvement.

- Assess options for closing the gaps. If you have only a few gaps to fill and strong systems are already in place, extending your existing systems may be the best approach. But most companies have many gaps and limited resources. In those cases, buying a packaged Customer Data Platform is likely to be the most effective solution.

Accelerate with CDP

Customer Data Platforms provide a complete, integrated solution for data collection, profile assembly, and distribution. These are complex processes that are difficult to develop as custom software. Purchasing separate components for each process introduces high costs for licenses, integration, training, and maintenance. The advantages of CDPs are especially strong at large enterprises serving customers across many touchpoints, where the range of features built into a packaged CDP will enable the organisation to take advantage of many new opportunities immediately after the CDP is deployed.

ZEOTAP

Zeotap's mission is to make customer data easy, secure, and impactful. It empowers the world's most innovative brands to deliver personalised omni-channel customer experiences more efficiently while ensuring compliance. Zeotap was founded in 2014 in Germany. Its clients include Virgin Media O2, Sky, REWE, and Audi.

Zeotap CDP is a customer data platform for hands-on marketers to achieve meaningful business outcomes. It has been designed for comprehensive 360 customer identity, rapid deployment, low-latency real-time performance, and superior out-of-the-box connectivity, in a privacy-first world.

Contact us

c/o WeWork, Stresemannstraße 123, Berlin
www.zeotap.com | info@zeotap.com

CDP CUSTOMER DATA PLATFORM INSTITUTE

CUSTOMER DATA PLATFORM INSTITUTE

The Customer Data Platform Institute educates marketers and marketing technologists about customer data management. The mission of the Institute is to provide vendor-neutral information about issues, methods, and technologies for creating unified, persistent customer databases. Activities include publishing of educational materials, news about industry developments, best practice guides and benchmarks, directories of industry vendors, and consulting on related issues.

The Institute is managed by Raab Associates, a consultancy specialising in marketing technology and analysis. Raab Associates identified the Customer Data Platform category in 2013. Funding is provided by a consortium of CDP vendors.

Contact us

Customer Data Platform Institute 231 2nd Avenue
Milford, CT 06460
www.cdpinstitute.org | info@cdpinstitute.org