

## PART 2

# Extract maximum value from your data to optimise eCommerce performance

*Predictive but not creepy. The brands that master hyper-personalisation will win big. But how do you get it right? How do you deliver a truly personalised experience in-store and online – without freaking out your customers?*

Daleng says it can be a challenge. "Some people don't mind trading their data or their preferences to get better customer service. Others find it a violation of their privacy. But even where customers share their data readily, there's a fine line between providing you with relevant information and being flat out creepy – stalking you around the internet with the same banner of the same product you bought two weeks ago."

He says understanding intent is also critical: "Are you buying for yourself or a friend? That makes a big difference in terms of what you're trying to do next time you go online. Equally, why didn't you make that purchase? Did you end up on a website you actually

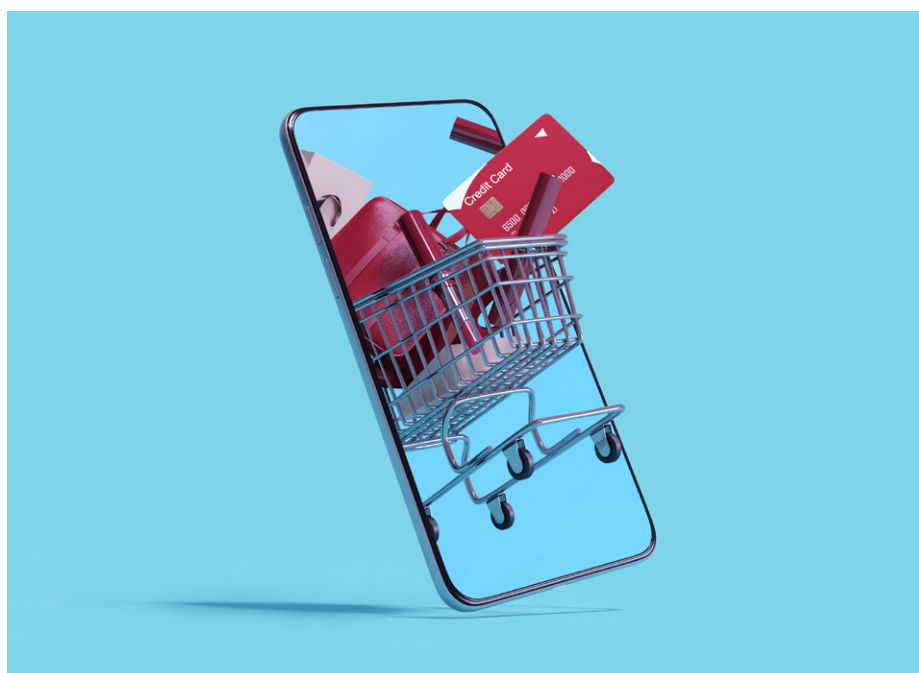
never really intended to look at in the first place? Is that why you left? Or was it because you weren't ready to buy at that point? Two very distinct intentions leading to two very different actions by a brand."

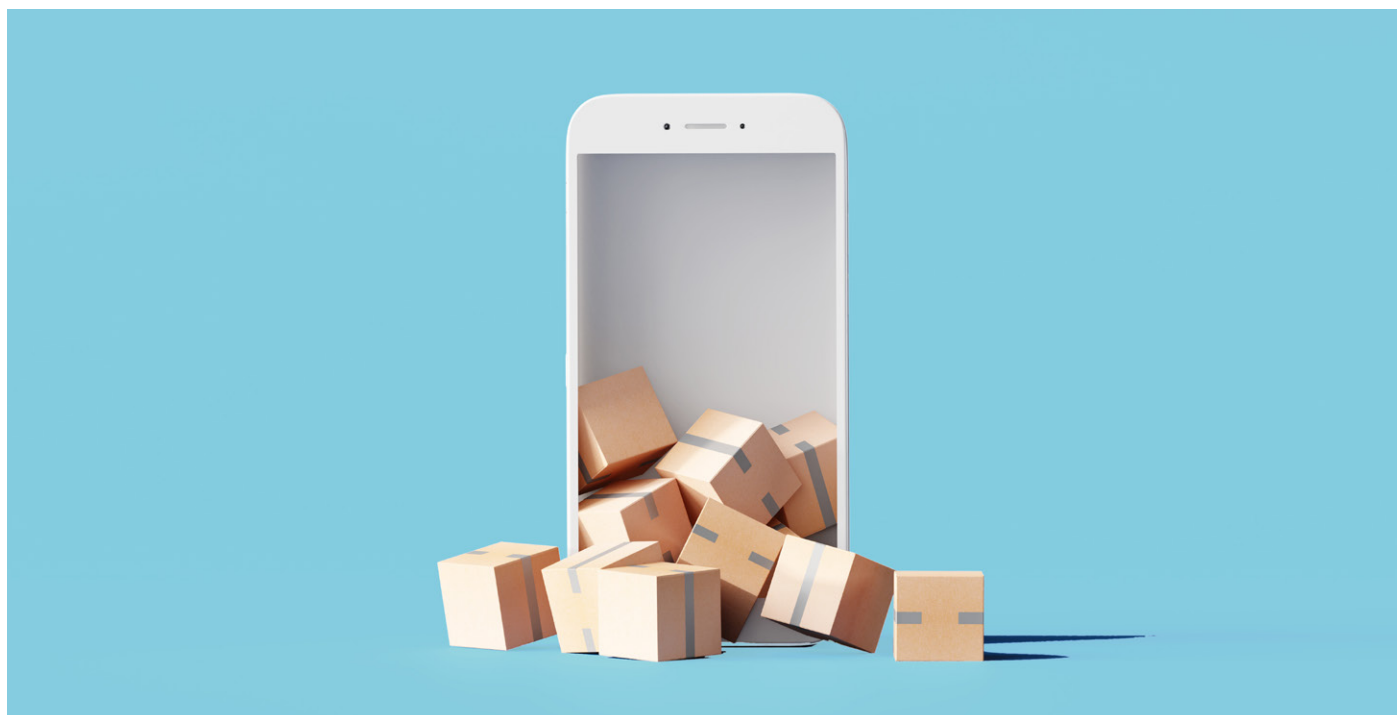
Because of these challenges, Baartse warns brands not to engage with personalisation too early. "Get it wrong and you've got an awful customer experience. Make sure you've got the basics sorted first. Personalisation is a very powerful thing, but it's not the first thing to focus on."

Gunton agrees: "Investing in personalisation gives you a lovely kick in sales. But, before you do that,

you need to understand the way your customer shops. Only then will you know when it's right to personalise – and how to personalise. You also need to understand what you're trying to achieve so you can invest in the right technology."

Matthew Cavalier, Chief Growth Officer, Big Red Group, adds to this point: "There are a million different technologies. But you need to ask: What's your strategy? What do you want to get out of personalisation? Also, where you're up to? It's great to say, 'I want to have personalisation at scale'. But can you actually do it organisationally? Do you have the right





data from your customers? Do your people have the right skillsets?"

Waddy says brands need to look at collecting data through the lens of improving the browsing experience for the customer – not just to convert sales. "When a shopper comes to your site, you want to provide them with an almost unique experience. So when you and I are on the same site, you'll see different things to what I see, and your experience will be different – even to the point of personalising the search. We may both search for a black bag, but what we're presented with will be different, depending on our previous browsing behaviour."

Cavalier stresses the importance of setting the right objective: "Of course, they buy something and it's easy to think that's your end objective. But actually what you really want is for them to have a frictionless experience and come back again and again, because it's just so easy and engaging."

True hyper-personalisation depends on going beyond what the customer shares with you and sourcing secondary and tertiary data to round out the picture. However, our experts warn this is highly

challenging. Baaste is brutally honest. "I've yet to meet a company who is using their first party data effectively. That's doubly true when it comes to any third-party data – it's usually of such poor quality."

Gunton offers an example where he's seen secondary or tertiary data used to fill in a piece of the personalisation puzzle: "In a pharmacy, you've got a big cohort of people influenced by weather. People with asthma and hay fever get affected by high pollen counts. So, if you know who suffers from those conditions and where they are, you can use tertiary data to find out the local pollen count and send a message, 'Hey, John, today's high pollen count is really high. Here's where you can pick up some antihistamine tablets and here are some actions you can take to make yourself more comfortable today'."

Cavalier says BRG asks customers directly about their interests. "They can choose from six different profiles. And we've actually tested whether they respond better to personality or profile. Then we use that to personalise ongoing conversations with them. We also make sure they keep their

preference centre up to date to take into account life and family changes."

He says BRG is very clear on how it will use preference information. "We say, if you give us this information, we won't use it for any other purpose other than to deliver you a more relevant experience with us. It's quite genuine. That's the goal of collecting that type of data."

Brands should also be aware that too much focus on what the customer has asked for could shrink their spheres of interest. If we put our customers in too tight a bubble, we can limit the scope for surprise or creativity – or the opportunity for a serendipitous random discovery.

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**– Steffen Daleng, CMO, Booktopia**