



Reference

# E-commerce personalization buyer's guide

A guide to the functionality, benefits and implementation practices of personalization

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Part of the E-commerce/Retail Toolkit

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# FOREWORD

## FROM THE REPORT SPONSORS

Providing a good customer experience online is essential to the success of any business that trades online. Customer expectations have risen dramatically and these needs should be met. Personalization can be used across websites, search, email and in human interactions through store, sales and with customer service teams.

Translating the enormous amount of real-time customer data that your company creates into something tangible and effective can be extremely time-consuming, labor-intensive and costly if misinterpreted.

Implementing an effective e-commerce personalization strategy can be one of the most cost-beneficial decisions you can make towards increasing your online revenue, improving your online conversion and building a loyal and happy customer base.

By allowing companies such as PureClarity to manage your big data and provide automatic product and search recommendations and allow you to overlay this automated personalization with fantastic enriched marketing campaigns, it couldn't be easier. Using the latest AI technology and machine learning, PureClarity is simple to integrate with any e-commerce platform and will help provide you with key opportunities and insights that are held within your data.

The truth behind PureClarity's e-commerce personalization platform is that you don't need to employ additional staff to manage. We will take care of your data for you. Import your existing customer base and allow the automated personalization to work in the background providing great product and search recommendations on your website without any intervention. Then, as time permits, build effective personalized marketing rule-based campaigns based on the insights and opportunities the AI will present you with. PureClarity is platform agnostic and easy to integrate. PureClarity has a plugin for Magento, Shopify, WooCommerce and BigCommerce and provides great support if and when you need it.

This paper was written to help you take a broad view as to the various considerations and requirements needed to implement an effective personalization strategy. As well as help you avoid the pitfalls that are in the market today, this guide provides you with advice and guidance on choosing the platform that is right for you. This paper also provides you with practical recommendations on how to segment your customers, which areas on your site are effective to personalize and how to implement best practices. We hope you enjoy.

Dr. Paul Gibson, CEO, PureClarity

If you are interested and want to find out more about how PureClarity can provide you with the ideal e-commerce personalization solution, why not [request an online demo](#) or a [free 14-day trial](#)?

# ABOUT THE REPORT AUTHORS

Dr. Dave Chaffey is CEO and co-founder of digital marketing management advice site Smart Insights. He is author of five best-selling books on e-commerce including Digital Marketing: Strategy, Implementation and Practice and was recognized by the Chartered Institute of Marketing in 2004 as one of 50 marketing 'gurus' worldwide who have helped shape the future of marketing.



In 2015 he was rated as the top influencer on social media for Marketing and Advertising in a top 50 UK compilation by Brand Republic (a portal of publisher Haymarket brands Campaign, Marketing and Media Week).

James Story is Content Manager and Data Analyst at Smart Insights, creating and co-ordinating member content across 20 digital marketing toolkits. He is a University of Leeds graduate and has spent the last five years creating content for online PR, SEO and digital marketing activities.



Dr. Paul Gibson is the co-founder of PureClarity. He has over 30 years of experience in software development, product development and business management within the manufacturing and retail sectors. He has led one of the UK's leading e-commerce agencies for 10 years overseeing its growth.



He holds a 1st in Computing Science and a PhD in Artificial Intelligence (AI). His experience of e-commerce and AI technologies led to the inception of PureClarity.

Joanne Burman is Digital Marketing Manager at PureClarity and, over the last 12 years, has worked in the E-commerce and Digital Marketing field across several B2C sectors including retail, healthcare and leisure, helping companies devise clear strategies to grow their businesses online.





# INTRODUCTION

Ultimately, a successful e-commerce experience for both site visitor and online businesses depends on relevance. If you connect a visitor with the most relevant products and offers, they will see the value and are more likely to convert. For site owners, higher relevance across many site visitors means increased conversion rates and revenue per visitor. It's a win-win.

Research shows that consumers expect personalization today and that it's a priority for businesses too:

- ❑ 85% of internet users expect and accept personalization as a part of their online retail experience – eMarketer<sup>1</sup>
- ❑ 68% of firms state that delivering personalized experiences is a priority – Forrester<sup>2</sup>

For many years business-to-consumer (B2C) retailers have benefited from personalizing their visitor experiences, but now more B2B businesses and their customers are benefiting from **E-commerce personalization**. Both B2C and B2B businesses are able to deliver a more personalized interaction with their customers, with consistent messaging, including more dynamic searches and contextual recommendations.



## WHAT IS IT? E-COMMERCE PERSONALIZATION

The dynamic serving of customized content, product or promotional offer recommendations to website visitors, email subscribers or app users based on their characteristics and intent behavior to help online businesses improve conversion and customer engagement goals. Automated recommendations, personalized search and enriched personalized marketing campaigns delivered at different points in the customer journey can be based on rules or artificial intelligence based on machine learning of user interactions.

Personalization services enable businesses to consolidate fragmented data, gain insight from improved analytics for more improved merchandising. Some providers offer the option of applying artificial intelligence (AI) and machine learning for more cost-effective deployment and management of personalization.

Plus, personalization addresses many customer pain points that are known to reduce conversion rates and revenue per visit, for example, irrelevant search results, difficulty in comparing options and lack of tailored experiences.

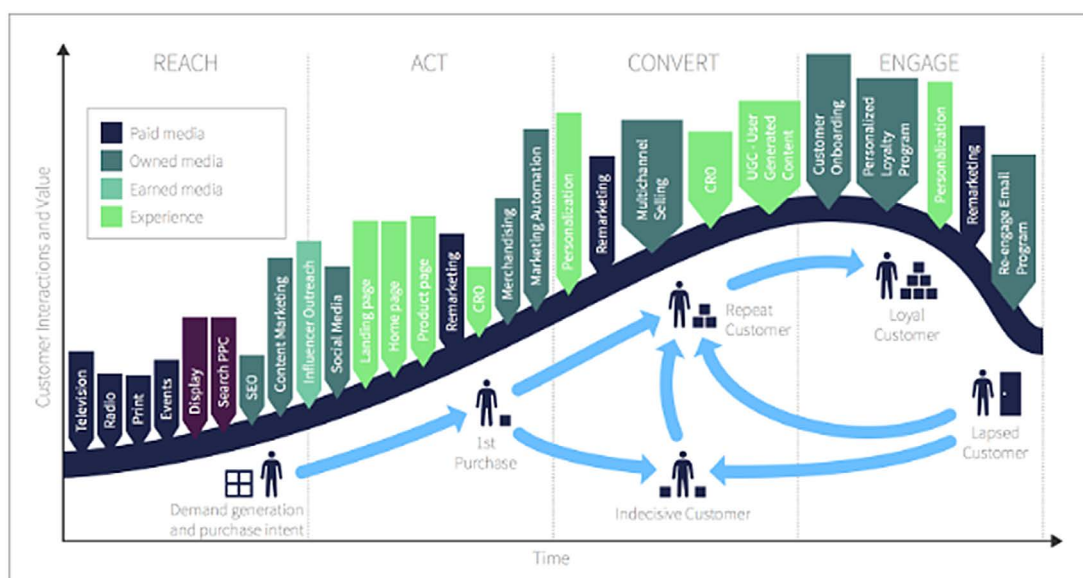
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<sup>1</sup> [EMarketer: Personalization in Retail: The Latest Trends and Challenges](#)

<sup>2</sup> [Forrester: Pivot To Person-First Personalization](#)

## How personalization supports customer lifecycle marketing

Personalization offers great opportunities for retailers to improve relevance across the customer journey. Successful e-commerce marketing today requires consideration of the full customer path-to-purchase, shown below across the Smart Insights RACE planning framework<sup>3</sup>.



### Omnichannel lifecycle marketing retail touchpoints

The infographic shows the vast number of omnichannel touchpoints across paid, owned, and earned media, both online and offline. Although some visitors may convert in a single session, it is often far more complex. Research from Google gives the example of a customer called Stacy, searching for a new car which involved an incredible 900-plus digital interactions<sup>4</sup>. Although a car is one of the most complex retail purchases, it makes the point of the need to recognize returning visitors and provide them context whichever device they are on.

#### STRATEGY RECOMMENDATION 1

##### Review omnichannel personalization features

Effective omnichannel personalization strategies reach further than the online experience providing tailored product recommendations and offers at each part of the buying cycle. For example, some omnichannel personalization providers such as PureClarity, have a suite of omnichannel features built in with their platform, for example, personalization of in-store till receipts<sup>5</sup>. These are in addition to their core e-commerce personalization search and merchandising features.

<sup>3</sup> [Smart Insights: What is customer lifecycle marketing?](#)

<sup>4</sup> [Think with Google: The Car-Buying Process: One Consumer's 900+ Digital Interactions](#)

<sup>5</sup> [PureClarity: Omnichannel E-commerce personalization](#)

## Personalization benefits and essential functionality

Everyone has experienced personalization through retail product recommendations like those from Amazon, but you may not know there are many more personalization options available than the ‘people who viewed this, also purchased this’ recommendations you will be familiar with from Amazon. In this section, we introduce the benefits before drilling down into examples of personalized recommendations in a later section and in our personalization recommendations checklist.

### Personalization benefits

Let’s introduce the benefits of personalization based on the 5S benefits of digital marketing identified by Dave Chaffey and PR Smith in their book Digital Marketing Excellence. These illustrate the factors that you should build into your business case. The first may be obvious, but the others less so:

- ❑ **Sell** – The most obvious benefit of personalization is increasing your sales by recommending relevant products and offers through search and merchandising. The potential sales growth may be bigger than you think. We recommend you create a business case based on a spreadsheet model which shows the potential sales increase from new visitors and existing customers as conversion rates and average order values are improved across all page types and channels where you will deploy personalization.
- ❑ **Speak** – This refers to using digital media to initiate dialogue. In a retail context, this means encouraging site visitors to share their email addresses and permission to mail them. A common technique is to use a light-box or panel on a site offering a great deal on first purchase (for example, a 15% discount). Personalization services can deliver these messages and be used to tailor them for different types of visitor segment.
- ❑ **Serve** – Conversion can also be assisted by showing first-time purchasers that you are a trusted brand with a competitive service proposition (for example, by explaining discounts, shipping, and returns). These key brand messages are often delivered by retailers through a run-of-site feature like a site-wide stripe below the navigation, in a footer or a panel elsewhere on the home page. It’s useful to surface or add detail to the proposition on the home page. Different propositions or Unique Selling Points (USPs) may appeal to different customer segments so personalization enables you to tailor and target those key messages accordingly through your global merchandising zone.
- ❑ **Save** – If you select the right type of personalization system, the automated element can also reduce costs through time savings based on manual merchandising involving manually setting up product recommendations on home and category pages. Here we need to balance the requirement that all personalization solutions



involve a degree of manual intervention. AI can reduce the manual effort since it collects and analyses big data and provides AI recommendations based on previous and current website behaviors, crowd trends and customer segment behavior. More sophisticated platforms further enable you to overlay with effective merchandising offers or marketing campaigns and adds an additional level of personalization into the mix. AI, especially, can help with the automation of merchandising which delivers the most relevant recommendation to the site visitor or email subscriber at the right time. This also relates to service improvements as personalization and conversion rate optimization can also potentially reduce returns by helping the customer select the right product.

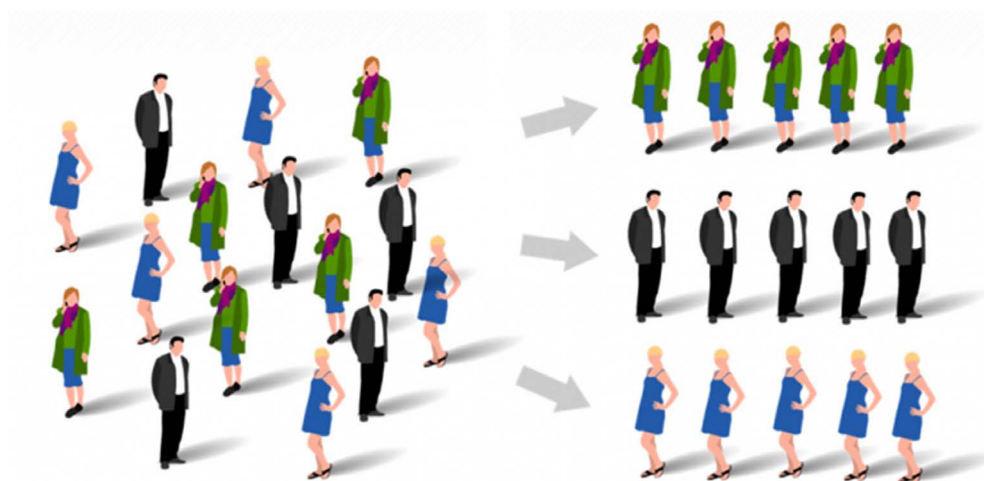
- ❑ **Sizzle** – This is a softer benefit about adding more ‘pizzazz’ to your brand by adding a ‘wow’ factor for your site visitors. If you’re a lesser-known retail brand it can boost your credibility and visitor confidence through showing that you offer similar recommendation features and campaigns to the well-known retail brands. E-commerce personalization enables that ‘wow’ factor which helps to build brand loyalty and lifetime customer value.

## Personalization functionality

Let’s now explore the personalization functionality you should consider when selecting a system. To keep it simple, there are two main techniques for reviewing the options of delivering personalized recommendations: audience segmentation, and the page types/placements within pages you will use to deliver recommendations.

### Audience segmentation

Audience segmentation enables you to serve different recommendations based on grouped audience characteristics or behavior.



Examples of segmentation you can use include:

- ☐ First-time or returning visitors
- ☐ Visitors from a country
- ☐ Demographics such as gender or age group
- ☐ Visitors who have viewed a specific product category or product
- ☐ Visitors who have viewed a content asset
- ☐ Cross-sell/up-sell/repeat buy to existing customers

There are many more segmentation options which we explain in the next section.

### Page types and placements

At a practical level, when planning your rollout and optimization of personalization, you have to decide which pages to prioritize for implementing personalization. You will have many of these page templates or layouts on your site already, but they should be prioritized for improving their effectiveness, i.e. by running AB tests to get better results and by adding personalization, as explained in the next section.

These are the typical page template types that need to be optimized:

- ☐ Home page
- ☐ Product category page
- ☐ Product page
- ☐ On-site search results pages
- ☐ Offers page
- ☐ Mega menus/Primary navigation menus
- ☐ Basket
- ☐ Order confirmation page
- ☐ Lead generation landing pages
- ☐ Pop-ups or header/footer bars containing opt-in offer across all page types

Again, there are many other types, depending on the business sector.

### Personalization functionality and features

When evaluating tools for implementing personalization, you will see a different scope or functionality i.e. the features available for delivering personalization.



## STRATEGY RECOMMENDATION 2

### Review the range of channels supported by a personalization tool

For example, some services are limited to website personalization and offer manual setup of rule-based recommendations only. Others offer email marketing and may also include artificial intelligence-based recommendations which require less manual setup and optimization. Some e-commerce solution providers offer automated AI e-commerce personalization with the included option of merchandising offers and marketing campaigns, email marketing and omnichannel personalization.

Common functionality for delivering personalization across the customer journey, available in many systems, but not all, is indicated by the breakdown of functionality within PureClarity:

- ☐ **Personalized site search** – Recommendations are delivered within the autocomplete search results which are a common interaction on e-commerce sites.
- ☐ **Personalized merchandising** – Product recommendations are served as site visitors browse category, product, checkout and other pages.
- ☐ **Personalized email marketing** – Recommendations are included within different types of emails like e-newsletters and automatically triggered emails (for example, as part of a welcome sequence). Mobile-specific messaging such as SMS and smartphone push notifications are further options.
- ☐ **Merchandising offers and marketing campaigns** – Ability to overlay automated results or default pages with customized targeted campaigns and recommendations.
- ☐ **Customer segmentation** – providing a host of segmentation suggestions with the option of creating additional customized segments.
- ☐ **In-depth analytics platform** - Facilitating insights and identifying opportunities that can drive your strategy recommendations.



## BEST PRACTICE TIP 1

### Review functionality based on a test of common activities

How these forms of personalization are set up and reviewed differs considerably in different systems. You should review the ease-of-use and quality of reporting on these features for common use-cases once you have defined a short-list of personalization vendors.

### Artificial intelligence and machine learning

Applying artificial intelligence is one of the biggest trends in marketing at the moment and personalization is one of the areas where it is being used most widely.



#### WHAT IS IT? ARTIFICIAL INTELLIGENCE FOR MARKETING

Software and services which perform tasks previously requiring human analysis and interaction. Marketing applications of AI typically aim to improve business to customer communications including targeting media, personalized messaging and customer service interactions.

Within marketing and personalization, applying machine learning is one of the best ways to get started with applying AI. Many personalization systems are now replacing rules-based targeting of visitors with AI-based targeting based on a training set of data for machine learning. This will predict the propensity for a visitor to convert based on historical interactions of visitors and customers with the website.



#### WHAT IS IT? MACHINE LEARNING FOR PREDICTIVE ANALYTICS

Creating and applying predictive models and algorithms with the ability to learn without being explicitly programmed. The computer models then make predictions of success based on patterns extracted from historical data. These are used to define rules, which are implemented to automate tasks such as targeting media or emails to the most valuable segments with the most relevant creative, offer and timing.

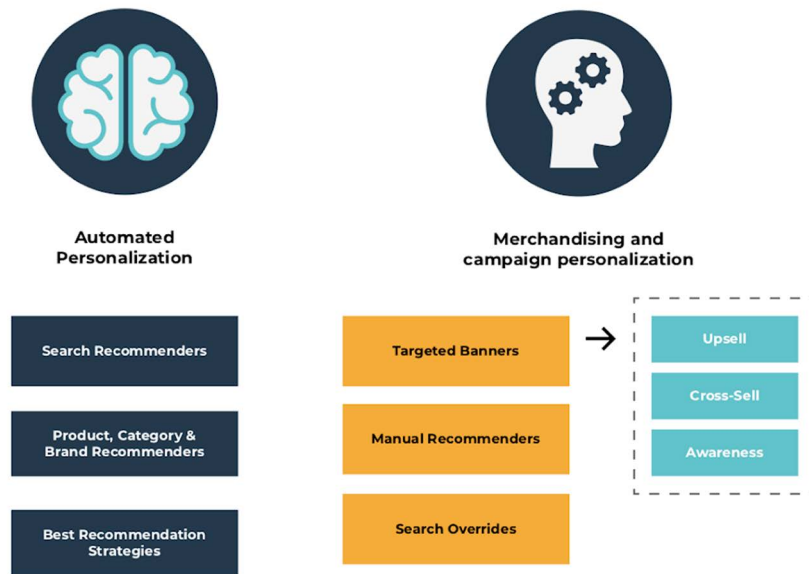
In summary, you can use AI to provide you with the best recommendation strategies. The AI does the heavy number crunching from which you should be provided with recommendations to develop your personalization strategy. Machine learning is used to optimize the search experience on top of which you can overlay your personalized marketing campaigns at customer segment level.



#### BEST PRACTICE TIP 2

##### Distinguish between automated personalization and manual overrides

As you compare solutions, ask vendors for clarity on types of automated AI personalization and manual overrides available for merchandising and running campaigns. For example, the visual shows how PureClarity distinguishes between these types.



Automated personalization and manual merchandising and campaign personalization



# BEST PRACTICES FOR IMPLEMENTING PERSONALIZATION

In the next sections, we'll give guidance and practical tips for implementing personalization which will highlight how features of personalization tools can facilitate improvements to your sales. We recommend this in order to consider best practices when planning your program. Guidance we will cover includes:

- ☐ Define success by selecting goals and KPIs
- ☐ Prioritize segmentation for triggering personalization
- ☐ Review priorities for serving recommendations across your website
- ☐ Define email recommendations



## **BEST PRACTICE TIP 3**

### **Benchmark your activity before implementation**

We recommend you benchmark your activity prior to integrating any personalization platform so you can prove the value of improving your processes and results.

# 1 DEFINE SUCCESS BY SELECTING GOALS AND KPIS

Depending upon which part of the journey you are looking to improve revenue through personalization, you should use different key performance indicator (KPI) measures to evaluate and optimize personalization by updating creative, copy, and offer. It's common to talk about macro-conversion measures like site conversion rates, but reviewing micro-conversion steps will give you a better idea of how effective your personalization is.



## STRATEGY RECOMMENDATION 3

### Define macro and micro-conversion KPIs for your funnel

A more granular definition of your funnel with KPIs to identify the effectiveness of each part of the customer journey will enable you to better set targets to review and improve your performance. Check which measures your personalization service helps you review. This funnel visualization shows a range of macro and micro-conversion KPIs.



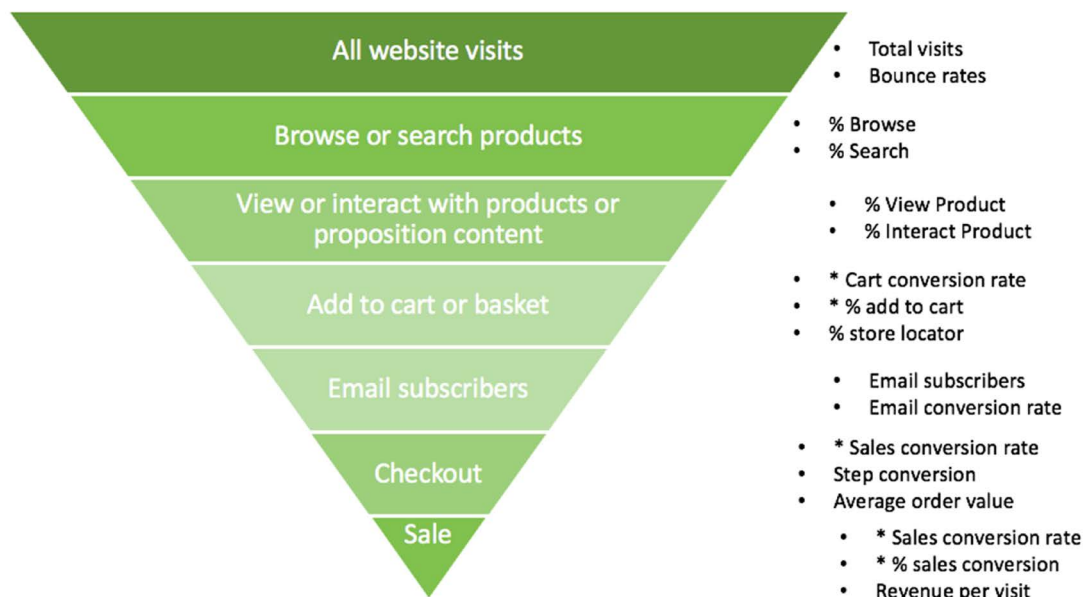
## WHAT IS IT? MACRO-CONVERSION KPI

Major business goals such as conversion rates to lead and sales. In e-commerce, these are conversion rates for add-to-cart, email subscriber, and sale.



## WHAT IS IT? MICRO-CONVERSION KPI

Step conversion rates which show audience engagement of a visitor, such as conversion to viewing a product, searching or looking at proposition content. Visitors who stay longer and engage more naturally have more propensity to convert.



Detailed macro (\*) and micro-conversion KPIs for an e-commerce funnel

For home page personalization or AB tests, you are looking to decrease bounce rate, increase dwell time and increase email subscriber conversion. Mid-funnel KPIs typically refer to product and category pages. It's simple, the more visitors you can get searching and browsing, the higher your conversion rates. With the increased popularity of blogs on e-commerce sites, for which many visits are single page visits only, increasing product page views from these visits has become more important.

For bottom of funnel, you will want your personalization to track conversion to sale, but also value such as average order value and revenue per visit.



#### BEST PRACTICE TIP 4

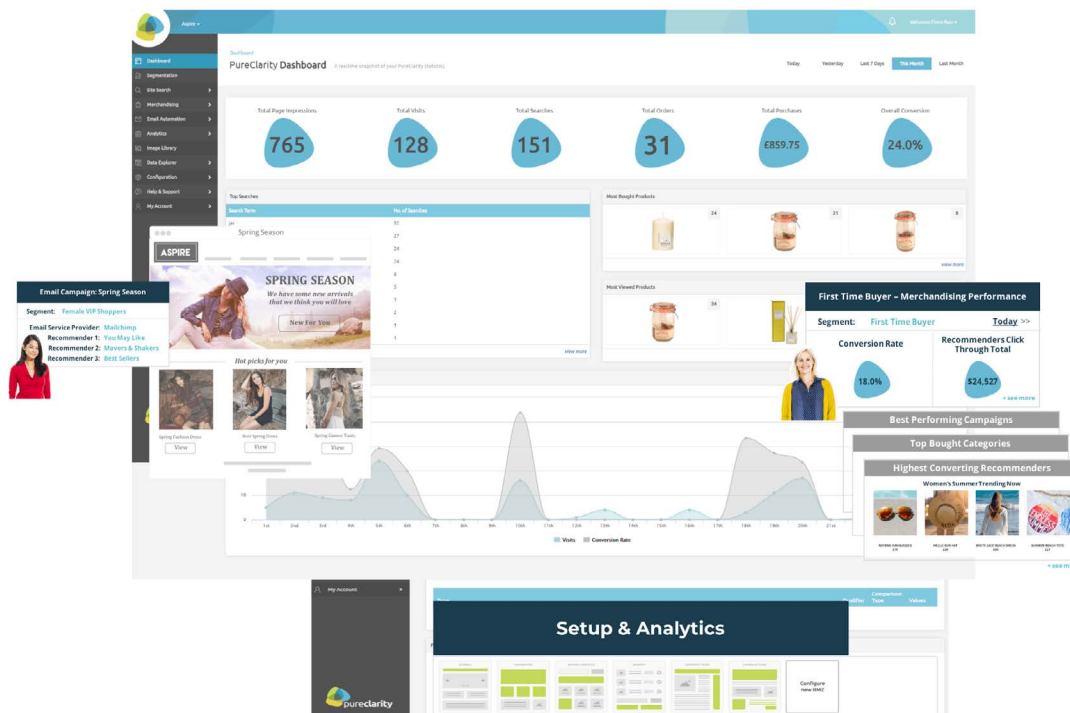
##### Review quality of analytics reporting

As well as your personalization tool providing a full range of macro and micro-conversion metrics, you should check that the tool you select provides either a full analytics package or a way to integrate with analytics to highlight interactions of visitors with different personalization elements to review their effectiveness. For example, in Google Analytics, event tracking or variables in Javascript data layers can be used to track user interactions with personalization elements and review their impact on KPIs. Many e-commerce personalization solution providers include more detailed analytics platforms and dashboards to show the true value of personalization. There are some restrictions on the insights, opportunities and reporting tools that Google Analytics can provide.

## Reporting on merchandising effectiveness

As well as reporting on funnel KPIs, specific reports on how well different product offers and discounts work is a key differentiator between different personalization systems. These should show the number of visitors engaging with the personalization elements and their outcomes, such as clickthrough rates, conversion rates, and revenue generated. It's important to have a tool which allows you to compare your site performance over time, as well as be transparent about how the personalization tool is performing. For example, key statistics such as page impressions, total order value, and overall conversion rate. Additionally, there should be in-depth reports on each aspect of the tool's functionality, and their outcomes. The ultimate aim of any performance reports should be to provide the user with data on past performance, linked to an obvious action to improve performance going forward.

For example, PureClarity displays comprehensive analytics for each of its modules of search, merchandizing and email with these types of reports:



PureClarity provides in-depth analytics that provides both opportunities and insights that can be used for targeted marketing campaigns

# 2 PRIORITIZE SEGMENTATION FOR TRIGGERING PERSONALIZATION

After planning the page types and placements on the customer journey where you can trigger personalization, we recommend thinking about the segmentation you can use to trigger personalization.

Personalization depends on the data sources your solution can access and personalize against. There are many types of data and segmentation options available in analytics and personalization that you can use to personalize with.



#### BEST PRACTICE TIP 5

##### Exporting data to start personalization process

It is worth finding out whether you can export your current data to start the personalization process. With more data from interactions with your customer base through time, the more tailored and targeted your personalization can be.

Here, we will highlight ten of the most relevant segmentation options, many of which use anonymous data provided by website interactions, but some use profile information:

- ❑ **Segmentation by referrer or traffic source:** The referrer is the medium in Google Analytics (for example, paid (CPC) vs natural (organic) search, social media or email marketing). The specific site source may also be shown, e.g. Facebook vs Instagram. It's also possible to target visitors from paid search based on the keywords they entered or the targeting used to attract them to the site. Since the advent of secure HTTP, it's not possible to determine the keywords used by organic searchers in real time, although the information is available in aggregate from Google Search Console. Typically, it's not practical to set up rules to target visitors from different sources and keywords, although an AI-based personalization system can learn which offers work best for visitors from different sites.
- ❑ **Visitor type:** For example, new visitor or returning visitors can be identified in analytics and in personalization systems. This is a commonly used technique for personalization, for example, offering new visitors a discount on first purchase.
- ❑ **Customer information:** Customer segment information should be put into one of two categories. Segments are either profile-based or behavior-based i.e. what visitors have searched for on current and previous visits and/or purchase behavior



which allows businesses to up-sell, cross-sell and incentivize to buy again. When customer information from previous purchases can be integrated, there are many other potential data points that can be used to target including customer profile and value, purchase recency, frequency, and monetary value. Given that a high proportion of revenue on a retail site is typically from existing customers, the value of this content is often underestimated. Multichannel retailers will also want to integrate data about offline purchases.

- ❑ **Site engagement duration or times:** For example, dwell time or number of pages viewed. In some circumstances, it may be best to deliver personalization to visitors who have engaged with the site for a certain length of time. Audience behavior can also vary based on day or week or time of day, so audiences visiting at different times can be targeted differently.
- ❑ **Content (products) viewed:** This is the most common segmentation technique used in retail personalization based on product categories or individual products viewed. Related products of a similar style can be shown. Given the large number of products (SKUs) many retailers hold, some form of automation rather than a rules-based system is required here. For example, top sellers in a product category or related products can be recommended. Again, an AI-based system that can learn from historic data using machine learning is most effective here. Personalization can also be delivered by page type, e.g. visitors who have visited a product guide, blog or checkout could potentially be shown different content.
- ❑ **Landing page:** This is a slightly different form of content-based segmentation based on where the visitor first arrived on the site which suggests their initial intent.
- ❑ **Event or interaction:** Common interactions on an e-commerce site are people who click on add to basket, checkout or interact with product information such as selectors for product variants such as color or size or reviews. Value in cart can also be referenced.
- ❑ **Platform and device:** As with analytics, a personalization system will usually be able to know browser, screen resolution, and device type (smartphone, tablet or larger screen formats). Again, rules-based systems can't personalize against all these variables, but AI-based systems may learn useful personalization rules, e.g. visitors on Apple iOS or desktop platforms prefer higher-value products. Multi-device tracking is a requirement, including, where relevant, mobile apps.
- ❑ **Location:** Such as country, region or city, weather and season.
- ❑ **Third-party data sources:** Using email addresses, names, and other identifiers, you may be able to enrich customer data about demographics using data from services such as Acxiom or Experian.



### BEST PRACTICE TIP 6

#### Review existing data sources for insight to personalize with

Also look to existing data sources that you have access to from associated interests and groups related to your brand. Another form of third-party data is around weather or events in a region which can be used to personalize recommended categories or products.

- ❑ **Favorites and Likes** - Based on previous purchases segment your customers based on their likes and what their tagged favorites are. This can be done at brand, category and at product level
- ❑ **Average Order Value** - If a customer's purchases have exceeded a certain value, then you can cross sell in other products which may be of interest
- ❑ **Current basket profile** - If a visitor has put products into their basket you can promote products that have similar product profiles whether that be color, material, theme, sizing. The profile attributes you can match are endless
- ❑ **Account type** - this is more relevant for B2B customers

As well as standard segmentation options like those above, you should review solutions from your provider to create and save custom segments. Most established providers should be providing a minimum of 100 pre-defined segments on top of which you can create your own customized segments.



### BEST PRACTICE TIP 7

#### Review personalized merchandising and campaign options

To review your options for personalized merchandising and searching you can group different types of targeting you will use. To summarize this section, the visual shows key targeting techniques to engage your visitors.



Options for personalized merchandising and campaign options

# 3

## REVIEW PRIORITIES FOR SERVING RECOMMENDATIONS ACROSS YOUR WEBSITE

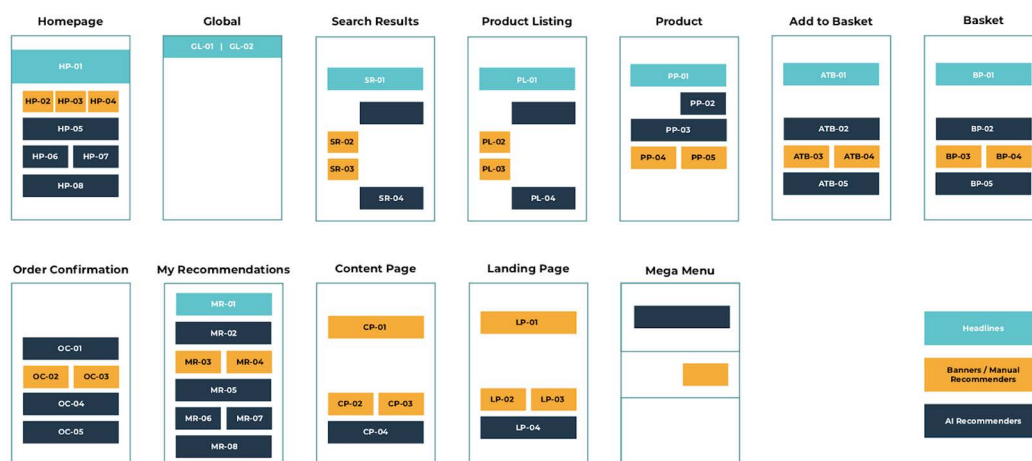
Having considered the types of segmentation you can use, you can now consider which page types and placements within pages will be most useful.



### BEST PRACTICE TIP 8

#### Review common personalization recommenders placements

The types of placement available for personalization will be familiar from your site. The most obvious are home, category, product, and checkout pages, but many others are possible. The visual below shows the full range to give you an indication. Search results pages and recommendations within the search box are also important given the proportion of site visits which have search sessions. See the visual below for the essential placements.



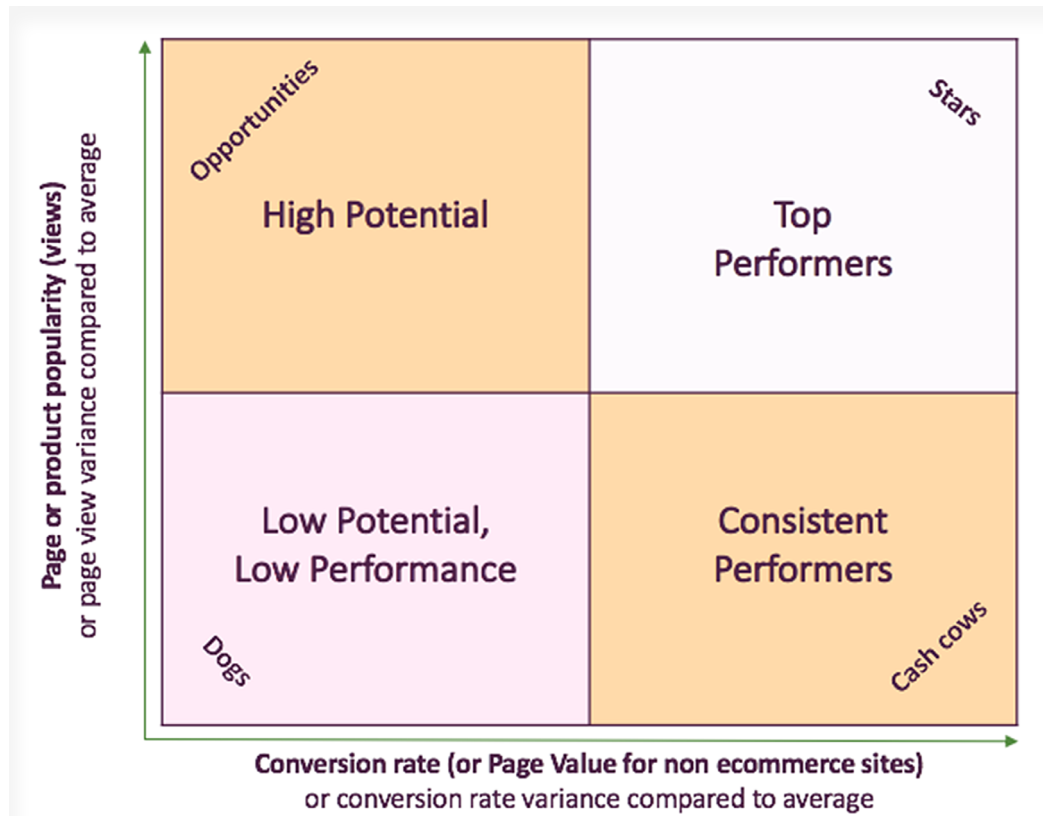
#### Examples of key personalization placements for different types of page template

The table below provides a checklist to review your personalization requirements based on options available that you should consider when selecting a personalization platform. We also recommend considering run-of-site and run-of-section options where personalization is served across part of the website.

Page template type	Potential placements on page	Type of recommendation
Home page	<input type="checkbox"/> Main hero banner <input type="checkbox"/> Other panels below the fold <input type="checkbox"/> See also run-of-site recommendations which will be on home page	<input type="checkbox"/> Featured categories <input type="checkbox"/> Featured products/top sellers/top brands <input type="checkbox"/> Recommendations by audience type, e.g. male/female <input type="checkbox"/> Sale/discounts
Category page	<input type="checkbox"/> Hero category container below category information <input type="checkbox"/> Container below category options	<input type="checkbox"/> Top sellers <input type="checkbox"/> Related categories
Product page	<input type="checkbox"/> Container below main product information	<input type="checkbox"/> Related products <input type="checkbox"/> People who browsed this product bought that product (what other customers are viewing)
Automated Search	<input type="checkbox"/> Auto-suggest recommendations <input type="checkbox"/> Hero banner above search results <input type="checkbox"/> Inline recommendations	<input type="checkbox"/> Individual product recommendations <input type="checkbox"/> Related category recommendations <input type="checkbox"/> May be a search box or faceted search (browse)
Run-of-site/run-of-section	<input type="checkbox"/> Above main navigation <input type="checkbox"/> Below main navigation <input type="checkbox"/> Megamenu recommendations	<input type="checkbox"/> Proposition-related <input type="checkbox"/> These are typically delivered as stripes above or below the navigation, but can be 'below' the fold also

To prioritize your different personalization options, we recommend you consider all the page types on your site as a portfolio, as shown below. Start deploying personalization on your top-performing page types and then roll out the program to the lower-performing pages with less footfall and lower conversion rates.





# 4 DEFINE EMAIL RECOMMENDATIONS

Because email is a distinct channel and experience from the main website, the personalization requirements for emails you send require separate consideration. Many of the options for delivering related products are similar, but you have to separately consider the range of email types you send. Depending on the current or planned sophistication of your email marketing and existing tools for broadcasting email, the ability for your web personalization service to integrate with email can be very valuable. Common email types that you may want to supply personalized recommendations for are:

- ❑ **E-newsletter:** A simple approach here is a panel featuring recent bestsellers and top-sellers. Additionally, dynamic recommendations can be served depending on previous behavior. For example, if a newsletter subscriber has browsed a category or product, top-sellers or related product recommendations can be shown
- ❑ **Abandoned browse or cart email:** These retargeting emails remind people to buy after browsing a category, product, or adding an email to the basket (where email addresses are known since they have been previously collected). They are most effective when incentives are used, but also when the reminder relates to a category product which has been browsed
- ❑ **Promotional campaign email:** This could be a seasonal discount or related to new product ranges. Again, they are naturally most effective with recommendations based on an individual's profile and interest
- ❑ **Customer service emails:** Transactional email notifications like order or subscription confirmation email or customer service interactions

If email personalization is important to you, and it's likely to be since it's in the top five channels by revenue for most retailers, you should model the incremental sales you can expect through improving email personalization.



## BEST PRACTICE TIP 9

### Review personalization platform email integrations

When selecting a personalization vendor, you should review whether they offer integration with your existing/planned email broadcast service or whether they have their own broadcast platform which may have cost or operational efficiencies compared to using a separate vendor.

Other common email types that can benefit from relevant product recommendations to improve response could include:

- ☐ Welcome or nurture email
- ☐ Birthday emails
- ☐ Re-purchase emails
- ☐ Reactivation emails

# 5 ONBOARDING AND SUPPORT

It is also worth looking into whether your personalization provider will offer any additional Management Services to help you out in your super busy times. There are few providers within today's market that have managed optimization services available for you to add onto your agreement should you need them.

When onboarding new technology, it is important to ensure that you will be provided with service levels that ensure your solution operates 365/24/7 so you can get the most out of your product. Support falls into three categories which you should compare between different vendors:

- ❑ **Application and Hosting Support.** Relating to the physical architecture, base operating architecture, backup systems and the platform software (including the core and administration dashboard). Ensure that your provider has in place a robust and scalable cloud-based hosting provider that will flex to your website's traffic and performance needs.
- ❑ **User Support.** Providing accessible resolution management of any incidents should they occur. User support is there for not only ensuring that your personalization platform is integrated seamlessly, regardless of which e-commerce platform you are using, but also to provide you with guidance on how to overcome any questions you have when setting yourselves up, no matter how big or small. It's a good idea to first check that you will have access to a robust self-service knowledgebase of online documentation, how-to guides, tutorials and FAQs.
- ❑ **Success management.** There are many options of how you will consider implementing an e-commerce personalization strategy into your main e-commerce and marketing plans and each business is different. It is really important to know that you will have a Success Manager on hand to help you get started and to turn to as you encounter issues you cannot resolve within your team.



### **BEST PRACTICE TIP 10**

#### **Check whether you will have a personal Success Manager**

Your Success Manager or a similar account management role should be your main point of contact who you can contact by your preferred method whether via phone, email or online. They will not only provide you with best practice, provide demos and how to guides as and when needed but also field your future feature requests and ensure any requirements for new functionality is considered in future product roadmaps.

It is also worth looking into whether your personalization provider will offer any additional Management Services to help you out in your busy times. There are relatively few providers that have managed optimization services available for you to add onto your agreement should you need them. From supplying your performance reports direct into your inbox through to fully managing your personalization platform based on your direction and business goals. It's good to know that there will be options should you need them, for example, if your team members move roles.



# COSTING AND PRICE ALTERNATIVES

The methods of budgeting for personalization may differ considerably for different types of system. We recommend you ask the vendors you shortlist to create an estimate of fees for the initial implementation of basic features and then an estimate for a year (or longer) once all personalization features have been rolled out.

Options for paying based on how often the tool is deployed. Fees are based on:

- ☐ Number of site visitors
- ☐ Number of pages served (impressions)
- ☐ Number of events or interactions
- ☐ Revenue share

## STRATEGY RECOMMENDATION 4

### Check that your provider offers flexibility

Flexible options for pricing and clear price transparency are usually best for both vendors and customers. Things to watch out for include:

- ☐ Ensure that you are not tied into a long-term contract
- ☐ Try and avoid set up fees as these can be costly and will still require you to set up the integration from your end
- ☐ Ensure that the pricing model that is used is fully transparent with no hidden extras
- ☐ Ensure that there is flexibility in the aspects of the platform that you can use. Ideally, a platform that provides AI recommendations at all times, particularly when you are time poor, but also allows you to create bespoke personalized campaigns when you need them
- ☐ There has been much debate around the effectiveness of revenue share models due to the discrepancies in claims about whether personalization is attributed to sales

# BUYER'S GUIDE CHECKLIST

We've created this checklist as a summary of all the factors we have covered in this guide.

## Channels and placements supported

*Q. Which channels are supported for personalization?*

- ☐ Website
- ☐ Omnichannel (including point-of-sale and other offline interactions)
- ☐ Email
- ☐ Mobile messaging (e.g. SMS, push notifications)

## Website page template recommendations

*Q. Is a range of standard recommendations offered for these types?*

- ☐ Home page
- ☐ Global or run-of-site header/footer bars
- ☐ Primary navigation including mega menus
- ☐ Search results
- ☐ Product category page
- ☐ Product page
- ☐ Add-to-basket
- ☐ Basket
- ☐ Checkout pages
- ☐ Content page
- ☐ Order confirmation
- ☐ Offers page
- ☐ Lightboxes containing opt-in offer across all page types

### Range of standard page recommendations

- ☐ Best-selling categories
- ☐ Best-selling brands
- ☐ Best sellers in category
- ☐ What other customers are viewing right now
- ☐ People who viewed this product also viewed this
- ☐ People who bought this product also bought this
- ☐ Recommended products for you
- ☐ New for you

### Range of search recommendations

- ☐ Auto-suggest recommendations
- ☐ Hero banner above
- ☐ In-line recommendations
- ☐ Zero-results recommendations

### Range of basket and checkout recommendations

- ☐ Recommended products for you based on your basket

### Range of customer recommendations

- ☐ Your most-purchased items in categories
- ☐ Your most-purchased brands
- ☐ Your recently viewed items
- ☐ New for you
- ☐ Replenishment/buy again
- ☐ Related products/the perfect partner for X now on sale

### Segmentation options

*Q. What are the options for segmentation to base recommendations on?*

- ☐ Referrer or traffic source
- ☐ Visitor type
- ☐ Customer information

- ☐ Account type
- ☐ Site engagement duration and times
- ☐ Content/products viewed
- ☐ Which products searched for
- ☐ Which products clicked on
- ☐ Which products added to basket
- ☐ Landing page
- ☐ Site event or interaction
- ☐ Platform and device
- ☐ Location
- ☐ Third-party data sources including insight related personal customer profiles through to types of product added to basket

### Personalization algorithms and testing options

- ☐ Rules-based
- ☐ AI or machine learning-based on uploading historic data on visitor behavior including site and product interactions and purchases
- ☐ AB testing techniques offered
- ☐ Additional enriched marketing personalization for marketing campaign offers
- ☐ AI override option

### Reporting and analytics

- ☐ Range of KPIs tracked
- ☐ Analytics integration options
- ☐ Cross-device integration options
- ☐ Bespoke analytics package provided in platform

### System integrations

- ☐ Integration with other systems e.g. retargeting based on recommendations served
- ☐ AB testing system integration
- ☐ Content or commerce management integration
- ☐ Email system integration
- ☐ Agnostic e-commerce platform integration
- ☐ Templates all fully mobile responsive

### Implementation and support

- ☐ Time to implement for common personalization types, e.g. home page, product, and search recommendations.
- ☐ Support available in your time zone
- ☐ Implementation support included and additional fees
- ☐ Options for uploading historical data for training machine learning algorithms
- ☐ Staging server available for tests and previews
- ☐ Resilient and scalable cloud-based provider which flex to meet the demands of the busier times
- ☐ Option to access additional Managed Optimization Services if required

### Privacy and data protection management

- ☐ Guidance on disclosure needed for GDPR
- ☐ Record personalization used for an individual and delete if requested (GDPR Subject access request)