

The power of personalisation in 2023

By  Nick Durrant, issued by [Bluegrass Digital](#)

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Research shows that when companies get closer to their consumers they enjoy bigger gains. Are you prioritising personalisation in your business? Here's why you should be.



According to McKinsey & Company's [Next in Personalization 2021 Report](#), when companies get closer to their consumers they enjoy bigger gains. This 'customer intimacy' is also key to helping brands generate faster rates of revenue growth than their peers.

And the numbers prove this.

The same McKinsey research shows that 71% of customers expect companies to deliver personalised interactions. And 76% get frustrated when this doesn't happen. For 76% of customers, receiving personalised communication was a key factor in their decision to support a brand, 78% said that this content made them more likely to buy again and customers were 78% more willing to refer a friend or family member to a brand when they were offered personalised experiences.

Understanding why customer intimacy is so important

Today, perhaps more so than ever, customers have options. They no longer favour the brand that's most convenient or located nearest to them because digital channels have made it possible for them to easily buy from anyone, anywhere without much fuss. As such, it is incredibly important for brands to come up with ways to differentiate themselves. How can they do so?

By prioritising customer intimacy.

Customer intimacy is all about building close relationships with customers - not just strong working relationships, not just good business relationships, but intimate relationships that earn customer loyalty and trust.

Here are three ways you can boost your personalisation game and foster greater customer intimacy, today and a few examples of brands that are getting it right.

#1 Use the data you have

It might sound pretty obvious but any effective personalisation strategy must consider who you want to target, as well as the needs of these specific customers. This means using the data you have to better understand your target audience and to identify the specific segment of the market that will generate the most value for your business over time.

Once you know who you are looking to talk to, you'll need to use various sources of consumer information to get a more holistic view of who your customer is and what they like/dislike. In action, this will enable you to deliver targeted messaging, provide tailored offers and recommend the most relevant content to your customers.

Brands getting it right: [Whole Foods Market](#), a US supermarket chain, combines their app and in-store experience to offer personalised deals. Using a customer's purchase history, they can organise the items a customer has already bought in a way that makes it much easier for them to search for that item and order it again. They also use this data to make recommendations for similar products and to even suggest recipes that customers can make using the ingredients they've purchased.

#2 Don't be afraid to experiment and adapt

While experimentation and personalisation are two very different things, when it comes to the latter it's important to embrace elements of the former. In doing so, you can come up with creative ways to tailor experiences based on your customers' specific needs and preferences.

Here, an agile approach to project management is the best strategy because it makes it possible for a business to try something out and then keep close tabs on how things are progressing via regular check-ins. At these check-ins, there is an opportunity to make changes based on what is and isn't working.

Brands getting it wrong: In 2017, [Netflix](#) made the mistake of using personal data about their users to make jokes on Twitter. When the streaming giant tweeted: "To the 53 people who've watched *A Christmas Prince* every day for the past 18 days: Who hurt you?" the public felt that their use of personal information was disturbing and worried about the brand's ability to extrapolate specific viewing habits from its vast data set, as well as the level of access its employees have to personal customer information.

#3 Leverage new technologies

Everyone is talking about AI (including us – read more [here](#) and [here](#)) and with good reason. There has been a lot of hype around AI innovations like ChatGPT because these generative AI tools have the potential to transform so much of what we do – including personalisation.

For example, an AI-powered chatbot, using NLP and machine learning, can easily understand the context of a sentence and carry on a full conversation with a customer. This makes it possible for brands to speak directly to each and every customer and then meet that customer's needs, rather than making broad generalisations across large audience segments.

Brands getting it right: US retailer [Land's End](#) is using AI to power its email marketing programme. One of the main ways that Land's End engage with their customers is via the emails they send out each day. With machine learning, they can use the data they have to ensure that each customer gets a mail that is based on their spending patterns and preferences. There's no generalised email for a certain segment, all the content being sent out is built around individual customers.

Optimizely, a digital experience platform (DXP) provider, recently launched Real-Time Segmentation, which allows marketers to segment customers in the moment of engagement so that they are able to deliver highly-relevant, personalised digital experiences. As an Optimizely Silver Solution Partner we are excited to leverage Real-Time Segmentation to access the most up-to-date customer insights and help our clients deliver truly personalised engagements. To find out more, get in touch, [here](#).

ABOUT NICK DURRANT

Nick Durrant is MD at Bluegrass Digital, a digital solutions company with offices in Cape Town, Johannesburg and London. We are experts in crafting web and mobile products and platforms. After spending 17 years in working the tech industry in the UK and setting up the Bluegrass in London in 1999, Nicholas now runs the company from Cape Town, developing the business into Africa and Europe offering world class digital solutions.

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