Ogilvy Adobe Verticurl

Driving Value At Scale With Human-Centered Personalization

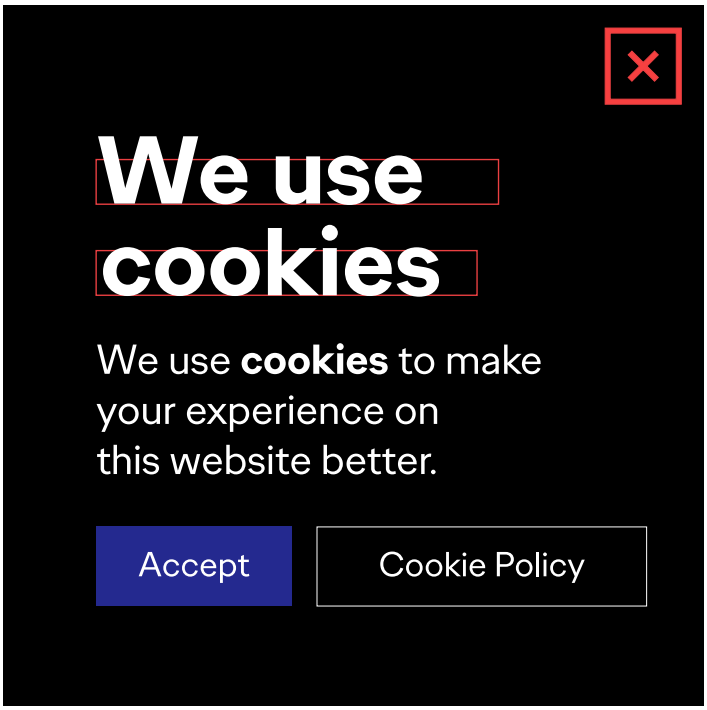
Brands that personalize at scale are not just winning online, they are educating people to expect nothing less. 80% of customers expect a tailored experience on the web according to McKinsey.[1] Spotify, for example, has trained users to expect tailor-made playlists and music recommendations every day. Spotify's VP of Engineering has said, *"We like to say there is no 'one' true Spotify. Essentially, there are [286 million] versions of the product, one for every user!"*[2]

But personalization at scale has also led to a crisis of conflicting expectations, as people are increasingly unwilling to share their data with brands because of privacy concerns and lack of trust in digital advertisers. In Asia Pacific, a recent Microsoft survey found that fewer than one-third (31%) of consumers believe that their personal data will be treated in a trustworthy manner by organizations offering digital services.[3]

[1] https://www.mckinsey.com/industries/retail/our-insights/personalizing-the-customer-experience-driving-differentiation-in-retail
[2] https://engineering.atspotify.com/2020/01/16/for-your-ears-only-personalizing-spotify-home-with-machine-learning/
[3] https://news.microsoft.com/apac/2019/04/16/microsoft-idc-study-only-31-of-consumers-in-asia-pacific-trust-organizations-offering-digital-services-to-protect-their-personal-data/

In 2021, Google released a statement, saying that "[if] digital advertising doesn't evolve to address the growing concerns people have about their privacy and how their personal identity is being used, we risk the future of the free and open web. People shouldn't have to accept being tracked across the web in order to get the benefits of relevant advertising." This is the reason that Google will phase out third-party cookies, the last of the major Internet browsers to do so, marking the effective death of this technology.

The elimination of third-party cookies is a warning: personalized experiences that fail to deliver value harm trust and erode brand relationships. Waheed Bidiwale, Global Vice President for Verticurl, the marketing technology arm of Ogilvy, believes that with the buying and selling of data and rampant retargeting made possible by third-party cookies, advertisers went too far without benefiting customers.



> "There is a fine line between use and abuse. With third-party cookies, that line was crossed. Now we need to bring personalization back to something more useful for people."
>
> ~ Waheed Bidiwale

We have the technology to orchestrate and deliver tailored, relevant, and consistent one-to-one experiences in real-time at every touchpoint in the customer journey. For customers to value those experiences and foster relationships with brands, we need human-centred personalization strategies that put the user's wants and needs first. We also need to deliver value at scale if we're to deploy personalization technologies at scale successfully.

Start With a Borderless Brand Promise, Clear Objectives, and Use Cases

Before you start implementing the technology of personalization at scale, you must first define the promise that connects your brand and customers. What value do people expect from your brand that gets them excited to engage with you?

The answer is a borderless brand promise that should cross every touchpoint and every customer segment, a promise that remains true whatever details are personalized. Defining your borderless brand promise up front will help you figure out the terms of personalization for your brand in a meaningful and consistent way.

Suresh Chivukula, Partner, Ogilvy Consulting Asia, advises to preface personalization with an alignment between your brand's promise and the customer's expectations from you.

> "Step back and look at your customers' movement along the journey and make sure you are always leading them with a higher position that your brand stands for."
>
> ~ Suresh Chivukula

Brands also need to define the objectives of personalization and how success will be measured. There must be a logical connection between data collection and return on investment, not just for you but for your customers. Do your key performance indicators line up with benefits to the user experience? Are these benefits on both sides clear and measurable?

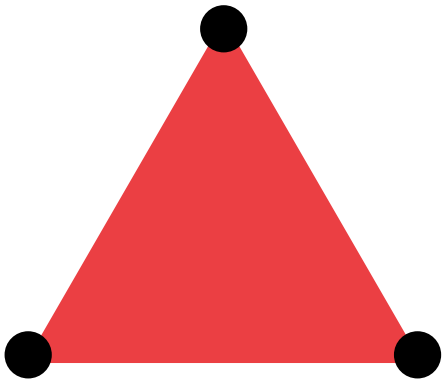
"A measurement framework up front saves a lot of trouble, and learnings become a lot richer," says Suresh.

Finally, brands should have clear use cases that they want to drive and specific descriptions of the desired customer behaviours that will lead to measurable success. Gabbi Stubbs, APAC Head of Product Marketing & Strategy at Adobe, advises brands to begin with a change checklist of what they want the customer experience to become.

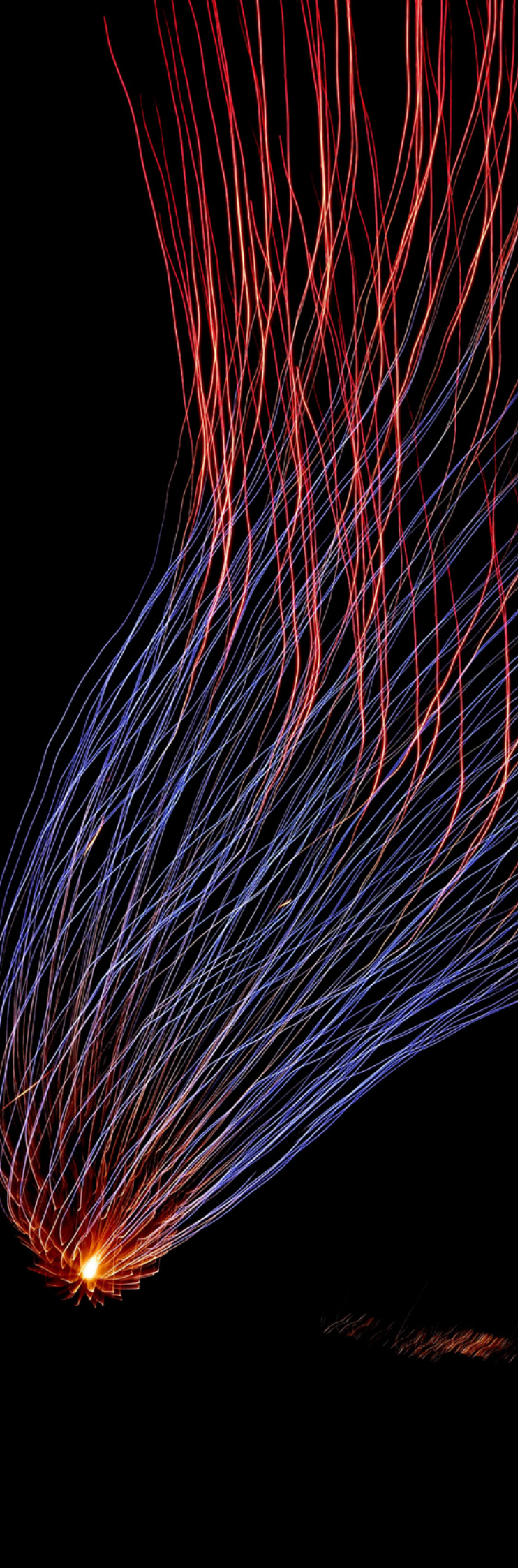
> "What is my use case and business challenge, what does my ideal customer experience look like? Start from there and then we can work backwards on the technological solutions to achieve that at scale."
>
> ~ Gabbi Stubbs

Once you have your borderless brand promise, measurable objectives, and desired use cases, you can begin outlining your unique brand strategy for personalization.

3 Pillars Of Human-Centered Personalization



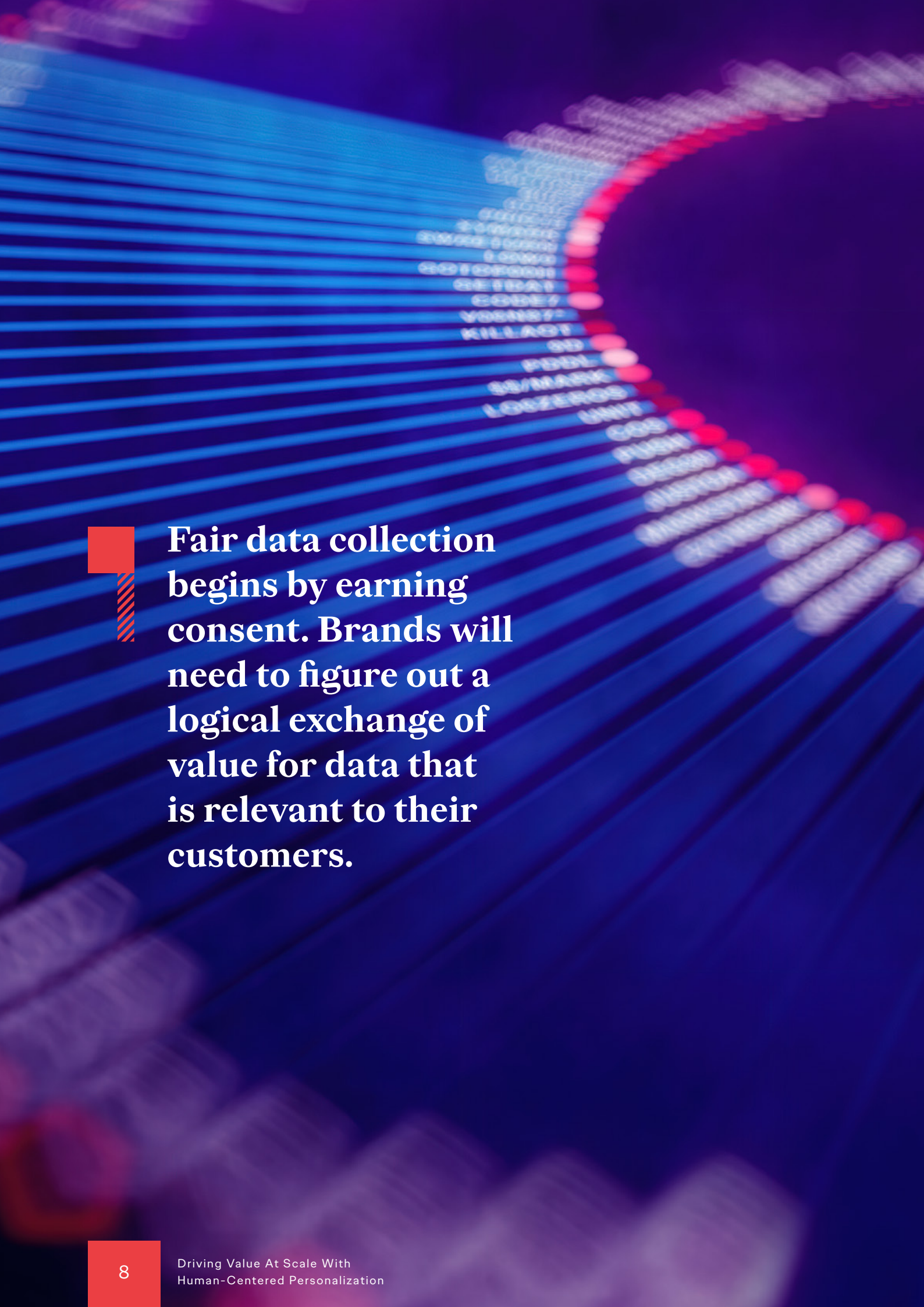
Inspired by 'Begin with Trust' by Frances Frey and Anne Morriss May-June 2020, Harvard Business Review



1. Collect Data Fairly

"I know sharing my data is a fair trade"

Personalization depends on your knowledge of customers, and that means personal data. Until recently, marketers could acquire some forms of personal data without people explicitly agreeing to it. That situation is changing, and we should adjust our approach from data acquisition to value exchange. A future-proof personalization strategy depends on making a fair offer to people that is clear about what data you will collect and what value customers will get in return.



Fair data collection begins by earning consent. Brands will need to figure out a logical exchange of value for data that is relevant to their customers.

There are many ways to earn consent. Brands often make the mistake of taking the obvious route of discounts and promotions, and not exploring other non-monetary value exchanges. For premium brands, memberships or exclusive experiences may be more relevant. In fact, it is likely you are already getting consent to gather data from customers more than you realize. Different departments might be keeping information in silos, or data is collected on a campaign basis and then discarded. Start with the quick wins and find those untapped opportunities.

> “My advice would be to look at your existing activations such as sweepstakes and rewards campaigns for opportunities to get data and, most importantly, get consent.”
>
> ~ Waheed Bidiwale

Know what triggers work for your customers and craft your offer accordingly. Not all of your customers will opt in, but if the value is there then enough will be willing to share their information to start creating a rich database.

There are 3 kinds of data that brands can acquire and engage with.

First-Party Data

With first-party data, you are the owner and protector of customer data, not another party. Like Google or Facebook, you build your own ecosystem of data, and the customer engagement and value exchange that serves as the foundation. Managing your own customer data ensures that you are in control and that customers can trust your promises.

> "First-party data had taken a back seat in the last decade, especially for B2C brands with the reliance on data vendors and walled gardens to generate reach and conversion. Marketers need to re-discover the power and wealth of first-party data and build strategies and solutions around it."
>
> ~ Waheed Bidiwale

First-party data collected on owned touchpoints will become critical to your brand. Owned touchpoints are where you can present the terms of data exchange and get consent from customers. Owned touchpoints are also where you can implement an identity management system to ensure that the data you collect is attributed to a customer profile that you manage. With advances in technology, first-party data can also be more nuanced and relevant to your specific brand relationship and lead to better insights.

Collecting first-party data along the journey as customers use different devices or interact with different touch points will require some form of identity and authentication system, such as a login. It will also require a customer data platform or CDP, software that combines data from across various touchpoints and devices to create a centralized database of your customers.

Gabbi advises brands to convert customers into authenticated users. This is essential to creating real time unified customer profiles, a single source of truth for the entire customer experience.

"Brands need to offer an experience that is worth authenticating for," says Gabbi. *"Find opportunities to collect data and make sure the value exchange is well understood."*

While logging in is a very intuitive step when signing up for digital services, it might be less obvious where this step fits on the journey for products such as fast-moving consumer goods.

But in that disruption lies the opportunity for brand differentiation. Look at how direct-to-consumer brands such as Xiaomi have upturned categories by approaching their marketing more like digital services companies.

First-party data can support effective customer acquisition strategies, such as contextual targeting, or developing customer insights that allow you to target more effectively within walled gardens where you do not have access to data.

"Contextual targeting, plus ownership of first party data, plus insight and knowledge of customers will play a big role in replacing third-party cookies," says Waheed, but brands will still need data from other sources to expand their pool of targets.

Second-Party Data

Second-party data is basically another brand's first-party data. Brands can access second-party data through partnerships or data collaborations.

The advantage of second-party data is that you can increase the scale of your data and partner strategically to reach new people. Significantly, with second-party data you can get access to another company's customer ID database, selecting partners such as ticket sales platforms or other digital service providers with wide reach. This can be a workaround to identify people who have not created a login or identifier within your system.

Brands that acquire second-party data should be mindful of doing so in ways that honor the terms of your value exchange with customers. When choosing a partner, evaluating the utility of data should be balanced with mutually shared brand values and integrity.

> "Are you using these resources purely for customer acquisition at the expense of privacy? Brands need to be cautious. Don't negate that whole path towards compliance. We have to be explicitly respectful of requirements of individual users."
>
> ~ Gabbi Stubbs

Third-Party Data

Third-party data is purchased from sources that are not the original collectors of that data. Use of third-party data has resulted in privacy violations, and that has led to widespread backlash and regulatory responses.

While third-party cookies are an easy way for anyone to acquire data and target potential customers, the quality of that data and the targeting being done with it is questionable.

"Third-party cookies became a kind of business that was easy to buy into, but with significant media waste. There is a lot of inaccurate targeting happening," says Gabbi.

For instance, third-party cookies do not have the ability to connect user data across devices. When this technology was first implemented, the average consumer had access to only one connected device, and you could reasonably associate every device with a specific user. But today's consumer has access to about 10 connected devices, according to Statista.[4] Third-party cookies 'see' users as a different person when they switch from computer to mobile, and that can lead to redundant engagements that feel more like pestering than tailored service.

[4] https://www.statista.com/statistics/1107206/average-number-of-connected-devices-us-house/

Other technologies will inevitably arise that provide access to third-party data. Google has already delayed plans to phase out third-party cookies from 2022 to 2023 to work with regulators and find a technology that better protects user privacy. Other companies are working on various solutions, although this is still an emerging field and there are no conclusive solutions yet.

But even if they are options, should brands adopt new third-party data collection technologies? There is always potentially a problem of trust with indirect acquisition of a person's personal information. The assumption that it is okay for brands to track people or keep them under surveillance should be re-evaluated. What's more, first-party data enables better personalization. Brands should be building based on the ability to provide consistently valuable personalized experiences.

"With third-party data, the ship has sailed, and it is unlikely these workarounds will truly replace the data provided by third-party cookies," says Waheed, *"It is all going to boil down to first party data. People are signed into the system, you are given permission to collect data, and based on that react with experiences."*

Data collected without consent is not just unethical, it is ineffective. Going forward, brands should choose quality data over quantity.

2. Analyze Data With Empathy

"I believe you care about me and my success"

The value of personalization is based on understanding a person's unique requirements. Even with abundant data, how do you understand what a person truly wants? *"Technology is just the enabler,"* says Waheed. *"We need to understand human needs and correlate that back to what content and offers we are going to present."*

Your data will only be as strong as your empathy—how you infer from basic information to insights about what people want. Without a strong analytical framework informed by emotional intelligence, personalization can feel like automatic surveillance and targeting and fail to bring you closer to your customers or motivate the customer reaction that you want.

Empathy begins with a shift in mindset on segmentation, from fixed segmentation to advanced segmentation. In a fixed segmentation model, brands make assumptions about people based on largely static qualities such as their name, gender, age, income, and region. Personalization based on these traits reflect biases and perhaps majority preferences, but they fail to capture the unique needs of the individual.

Advanced segmentation is based on people's behaviour, the choices they make, and actions they take along the customer journey. It can provide more insight into people's needs and enable a more sensitive response, one based on the observation of patterns. If you can track digital engagement across touch points, then the data can tell a lot of stories. *"It's about moving from fixed categories like 'women looking to buy a car' to something a lot more intimate,"* says Gabbi. *"For instance, if we observe people searching for a certain kind of car and playing with customization features, we can split them into groups based on their propensity to buy."*

Today it is possible to update a customer profile in real-time based on their behaviour, enabling you to learn continuously and react accordingly. *"For instance, if you know a family that owns a small car loves going on road trips, they might need a bigger car,"* says Waheed. *"If you can track those signals, then you are able to convince them to upgrade to an SUV. Once these emotional inferences are fed into the system, technology does the rest."*

More than just explicit data or direct observations, there is also implicit data based on human understanding. For instance, when a product is being revisited repeatedly, you might infer that a customer is inclined to purchase, and further down the funnel send a triggering message.

There are different ways to approach advanced segmentation with different kinds of technology. In a linear model, you separate customers into groups such as new and returning customers based on a limited number of behaviours. You then send them off on distinct journeys drawing from a centralized library of content with digital asset management to select the right option for the right user.

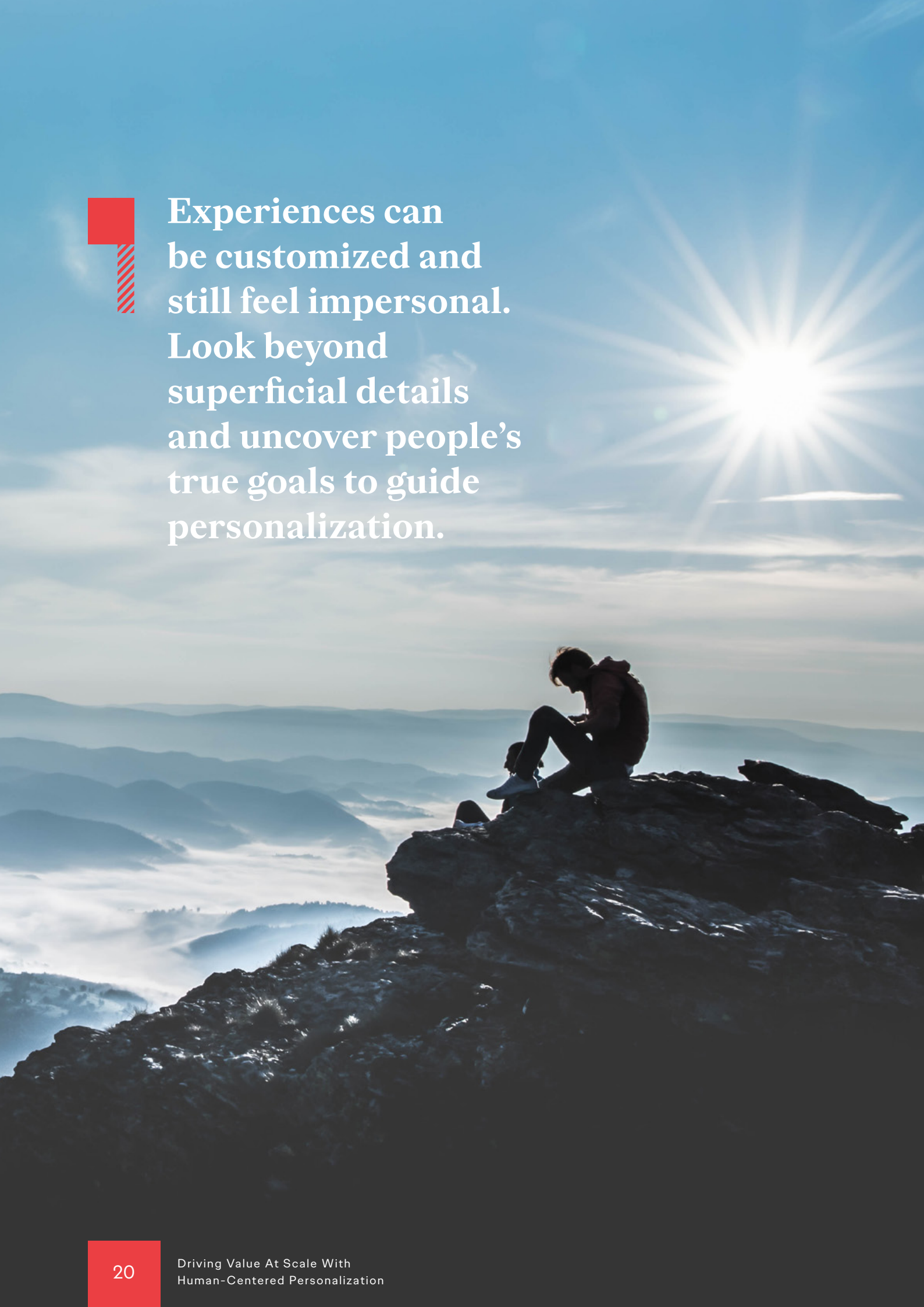
With machine learning and artificial intelligence there is also a non-linear model. AI can react to users in real time and optimize content by tweaking the details just for them, as the system learns and adapts to continuously improve on effectiveness based on what has worked best in the past. The system looks at a database of similar previous engagements and crafts a journey that is much more relevant.

> “The more data you have, the more likely the system will be able to give you the right answers. The journey can be customized based on many different behaviour patterns.”
>
> ~ Waheed Bidiwale

At the same time, not all data is equal. Part of your framework for segmentation and analysis should include selecting what data points are of relevance to your brand, category, and customer relationships. *“Brands shouldn’t be collecting data for the sake of collecting data,”* says Gabbi. *“It’s critical to do an audit before even thinking about the technology.”*

Go back to your insights on what defines your relationship with customers. What does your brand promise mean to people? How does that differ according to different people? Develop hypotheses on the different ways people experience the same borderless brand promise and what data points could be trigger points for personalization. You can then tailor the data points that you collect to your specific relationship with customers. *“The difference is the level of customization, deciding what attributes you track for a much deeper and more relevant understanding,”* says Suresh. *“Brands will have much higher fidelity levels through direct interaction with more pertinent learnings.”*

Experiences can be customized and still feel impersonal. Look beyond superficial details and uncover people's true goals to guide personalization.



3. Respond To Data With Authenticity

"I experience the real you"

With a data collection system and a framework for analysis in place, brands need to be able to react and deliver personalized responses along the customer journey. But how do brands personalize and still maintain their authentic voice?

Brands can start to implement personalization within limited owned channels such as brand websites and e-commerce channels. The goal is to get to a point where you can track your customers through the full funnel and serve up a seamless brand experience informed by consistent data wherever customers interact with you. We have the technology for cross-channel and omnichannel personalization, with the power to trigger events in real time to any channel.

However, it is important to prioritize and be realistic. For brands retailing in a wide variety of offline channels, it will be very difficult to track all experiences customers have with your brand, let alone personalize those experiences.

The challenge is even greater in Southeast Asia. The fragmented retail landscape and growing and evolving middle class means that it is very hard to generalize about people's customer journeys.

Is a personalized journey worth it if that leads to an incoherent or inauthentic experience of your brand? This was the choice presented by third-party cookies, and too many marketers chose to prioritize short-term gains and tactical goals at the expense of consistent brand experiences.

Maintaining brand authenticity is particularly important to consider in the context of social commerce. Social commerce can refer to integration of commerce tools into your owned social media, partnership with social media influencers on promotions, or adding social features to your online sales platforms. Whatever the case, social commerce demands more flexibility in terms of who gets to create your brand experiences. How do you make sure the brand story you are telling percolates through social commerce partnerships, and still give influencers enough freedom to engage customers on their own terms?

The key to prioritizing personalization touchpoints and implementing social commerce goes back to clear strategic priorities based on the borderless promise your brand is all about.

> “Be clear on your north star, the promise that defines you. That gives your partners & collaborators flexibility to tell that story their own way with creativity.”
>
> ~ Suresh Chivukula

Authenticity does not mean being rigid. Brands need to be flexible with clear goals that allow for more dynamic collaboration between teams, stakeholders, and partners .

The same principle of flexibility is required when implementing new technology internally and iterating brand experiences. Driving delivery of personalization at scale demands an agile management structure where data is shared between business units, and marketers and data scientists can work together to quickly adapt and improve. This will require innovation in your internal systems as well, to prioritize requests, assign work to teams, automate approval workflows, and centralize asset delivery.

If you evaluate whether experiences are ‘on brand’ with too rigid a framework, it could prevent you from experimenting, learning and growing. *“If required, fail and fail fast,”* says Suresh. *“Undertake a few meta programs, see what works, what doesn’t work, pick the ones that are working and then rapidly scale them up, learning along the process. Then, don’t just bask in the glory. You need to keep testing, constantly measuring, and seeding the next program for success.”*

Personalization can't always be perfect, but it can always be authentic. Stay true and stay flexible with a borderless brand promise as the basis for collaboration.

Conclusion

Personalization has become caught up in a broader cultural conversation about how much people can trust brands to serve their best interests. In the example of third-party cookies, efforts to drive revenue led marketers to betray trust and fail to deliver value.

Today there is an ethical imperative to guide personalization at scale that also makes business sense. That imperative is to consider people for more than their utility to you and respect their goals and needs. Brands that are perceived as doing so are not only loved and embraced, but also have an edge in effectiveness.

The lesson here is that technologies of scale must be balanced with a strong brand culture that crosses all borders with the same promise of value. Ultimately ensuring that personalization at scale reinforces rather than harms trust is about integrity. Make it a real priority within your organization to earn consent, understand people with empathy, and stay true to your borderless brand promise no matter what.

We hope you've found this paper of value.

Ogilvy can help you craft effective personalisation strategies that span data, content, channel, and decisioning on your martech stack. We can also help you architect and build a future-ready technology stack. Reach out to one of our experts today and start building closer relationships with your customers.

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