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> **Beginner's Guide to Next-Gen Personalization**

Moving to Individualization
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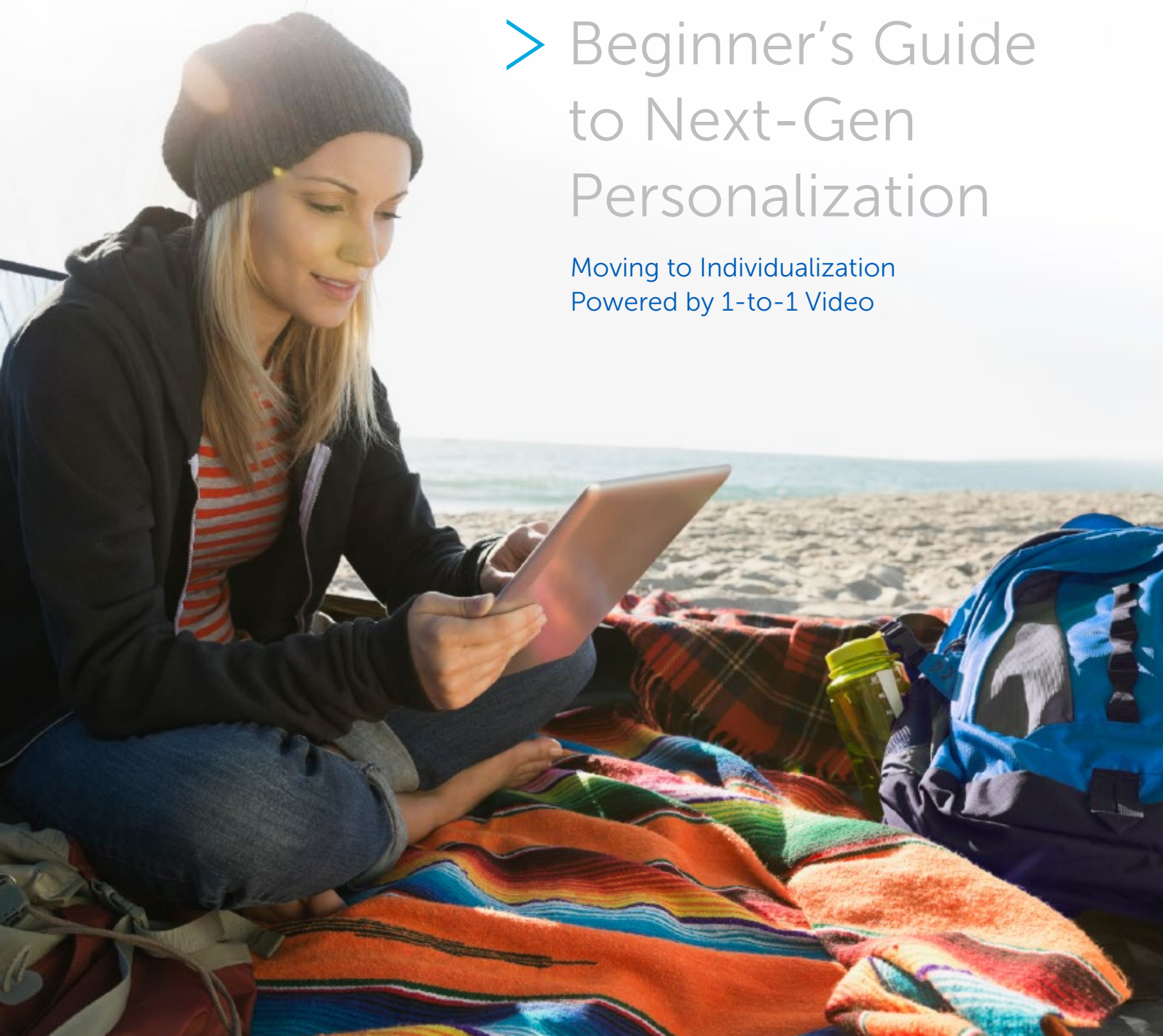
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INTRODUCTION: THE AGE OF THE CUSTOMER

A NEW ERA OF TRANSFORMATIVE CX

For years, brands have tried to improve their consumer relationships with a personal touch. Companies have been investing significant resources into CX, mapping customer journeys, breaking down every moment and interaction, using more data, and trying to make every customer-brand interaction count.

Sounds good, in theory. In practice, brands are still struggling to provide the level of CX customers now demand.

The problem boils down to the fact that many, if not most, brands are failing at execution.

If a brand's efforts at individualization stop at using basic data, like customer names and purchasing history, it's underperforming. Today's consumers are savvy enough to know when brands are making genuine efforts to connect, and when they're doing the bare minimum.

The CX methods that most brands employ are unsuccessful at the most crucial points in the customer relationship: moments of consequence. The customer journey is disrupted when confusion arises, questions are unanswered, confidence wanes, and complexity appears with no clarification offered. Yet CX is the most important component in today's hyper competitive market.

Brands' CX isn't properly addressing these moments as they happen, thereby threatening customer relationships and missing an opportunity to prove brand value.

The focus of next-generation individualization is delivering value by empowering consumers with the information they need at key moments of consequence to alleviate stress, frustration, and pain. Working beyond basic marketing communications, it helps brands deliver value-rich experiences that are memorable, prompt sustainable behavior change, and create mutually beneficial long-term relationships.

This new era of individualized CX will change your entire approach to consumer communications.

UNPACKING INDIVIDUALIZATION:

Meeting Consumer Expectations
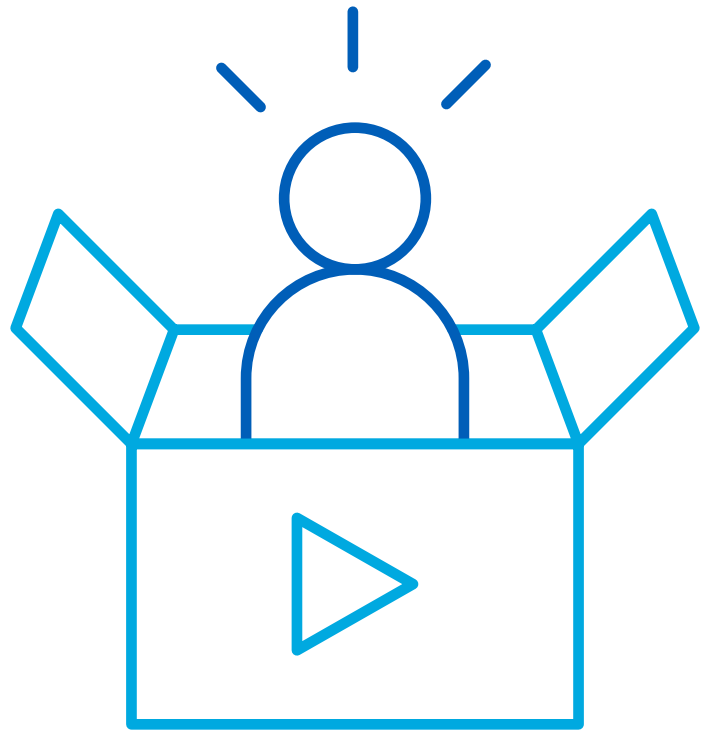
THE GREAT CX CHALLENGE

The brand-consumer relationship is now digital and dynamic. Apart from consumers' expectations that brands proactively speak to their preferences, brands also need to rise above the overwhelming amount of advertising that consumers are bombarded with every day. Today's consumers are too busy to sort through and peel back the layers of information to find what they want. Brands can no longer expect consumers to do the work of filtering messages and must do it for them.

Individualization addresses this problem, and consumers appreciate the assist. But mapping customer journeys has become very complex. With so many different paths, it's easy to select the wrong one, become overwhelmed, or embark on a CX strategy that does not answer consumers' needs.

"Individualization based on segmentation provides the 'wrong' experience for most of your customers."

**Brendan Witcher** Principal Analyst eBusiness & Channel Strategy, Forrester

As a result, many brands deliver underwhelming CX because their communications are based on a market segments, available media channels, and generic creative--the same stale information their competitors are also using. This has led to "1-to-segment" communications with research-driven generalizations based on demographics, product interests, and other generic categories. A common example is when brands integrate a single data point, like a first name, into identical, static messages that are sent to large customer segments.

This isn't really trying to establish a true rapport—and consumers know it. It's neither relevant nor valuable, and it doesn't make for a strong, long-term brand-consumer relationship.
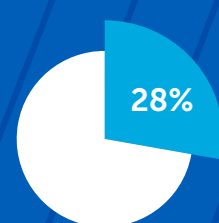
Even though brands know that individualization works, a recent survey shows brands aren't including it in their CX strategies because:
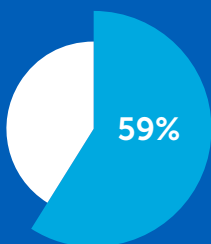
59% Think they lack the resources
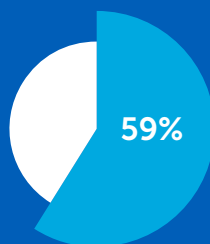
59% Think they lack in-house technology

28% think it's too difficult to achieve

Read the full study **>**

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UNDERSTANDING THE AUDIENCE OF ONE

Consumers today are more knowledgeable about marketing than perhaps at any previous period. It takes more to make an impact than before, and a false step can irreversibly damage a brand's relationships with current customers, and repel potential customers from engaging.

Brands must understand the value of and how to deploy true individualization. The first step is understanding the audience of one.

The audience of one is genuine individualization:

Messaging that's contextually relevant and delivered in real time

Communicates a next-best-action on a one-to-one level

Leverages emotionally engaging content to drive sustainable behavior change

Thankfully, along with consumers' heightened expectations for brand communications, new technologies and tools have been developed that deliver individualized CX at scale. They empower a CX strategy that is:

- **Proactive:** Predicts what consumers want and what they need
- **Responsive:** Reacts to consumers' behaviors and actions (or lack of)
- **Accurate:** Offers the right assistance, tools, and/or products to the consumer
- **Helpful:** Valuable and useful to the consumer

Individualization is intrinsic to every moment of consequence during the customer journey, beginning with acquisition and conversion, continuing to early onboarding engagement, through customer retention and loyalty-building efforts.

Individualization perfects the customer journey, delivering breakthrough outcomes at key moments of consequence.

THE MAGIC IS MODULARITY

Given consumers' expectations and the fierce competition for consumer relationships, now is the time to rethink video and its role in creating an outstanding CX. Thanks to improved technology, we're now seeing a shift to a new generation of video-powered experiences (VPX) that engage, empower, and inspire consumers to action.

The ultimate approach to engaging with the audience of one uses modularity—a game-changing methodology that is adaptive, flexible, and allows you to leverage your customer data to its best advantage.

Modular storytelling creates individualized video-powered experiences delivered at moments of consequence by

What does modular mean for video?

Dynamic Scenes
Specific topics and messages that can be repurposed and reused

Dynamic Creative
Visuals, narration, music, on-screen text, etc. that are adapted to individual viewers

Dynamic Stories
Advancing beyond linear narrative construction by sequencing individual scenes to tell stories

connecting discrete topics, messages, and creative elements, selected and combined to align with the behavior you want to influence of the individual audience member you're targeting.

Modularity enables a high level of customization and the utmost flexibility regardless of the level of consumer data you have available. Divide data for different contexts, from audience members and delivery channels to creative strategies and message themes, to drive desired outcomes.

Constructing stories using distinct elements enables maximum individualization, and an increased capacity to drive sustainable behavior change within your specific audience.

A modular approach also allows for scale because separate elements can be reused or replaced with each iteration. Modularity gives you the ability to start small and then expand in different ways—add on new pieces and reuse for different stories, lifecycle touch points, events, and audiences.
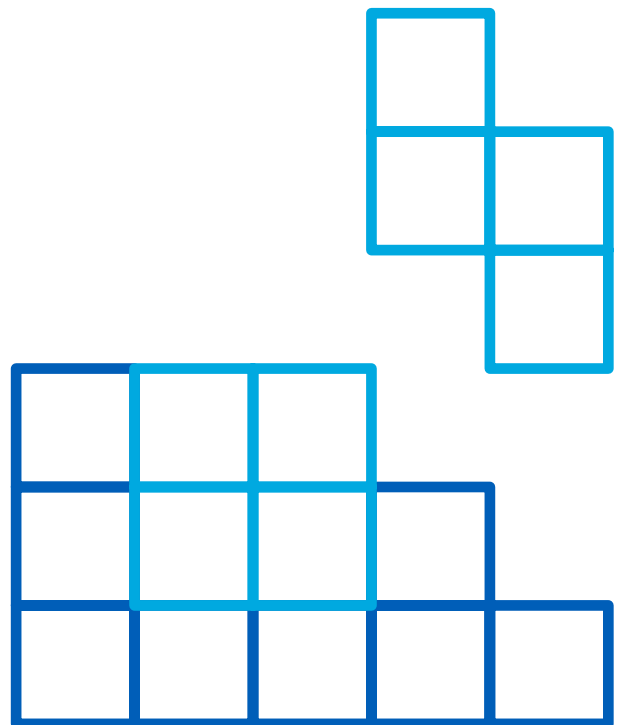
Think of it this way: it's like a bunch of puzzle pieces you can fit together any way you need, over and over, and the complete image is always a comprehensive masterpiece.
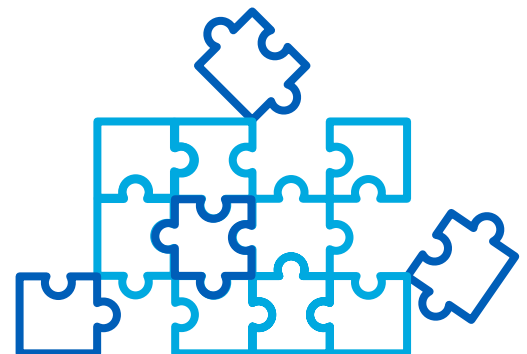
PUTTING IT ALL TOGETHER:

Piece-by-Piece for
One-to-One Success

DATA DEFINES AUDIENCE—USE IT WISELY

You have data, but the power is in how you use it.

Don't be a bull in a china shop—indiscriminate use of data is a waste, and can produce results opposite of what you want. Intelligent data usage leverages segmentation to define individuals by their unique data attributes.

This enables individualization by repeatedly overlaying multiple data points until consumers transition from a market segment to an audience of one.

By employing this multi-tiered approach, audience members become their own dynamic profile. This profile drives message creation and delivery based on what's relevant and valuable.

But remember: consumers are constantly changing and evolving. It's crucial that you evolve in step with them.

There are many, many ways to combine data. Here are a few:

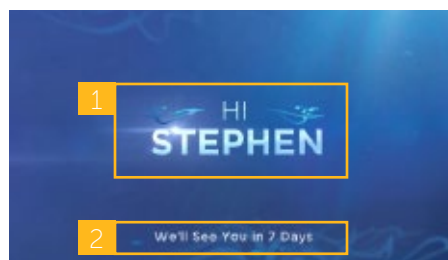| Demographics & Profile	Products & Services	Lifecycle Stage	Previous Behaviors	Channel Preferences

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## BREAKTHROUGH OUTCOMES WITH SUNDAYSKY VIDEO-POWERED EXPERIENCES

Atlantis Paradise Island achieved a 9% lift in guest spend by layering data attributes to create an individualized pre-arrival video program.

Explore the full case study here >

Product and lifecycle stage drive dynamic creative elements

1. Property booked drives hotel branding, music & creative skin

2. Pre-arrival touch point drives opening sentence narration & on-screen text
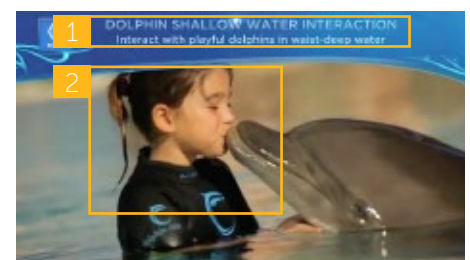
1. Guest type subtly individualizes activity recommendations

1. Activity recommendations vary based on adult guests or adults with children

2. Background imagery changes to feature adults or children

FOCUS ON GOALS

The goals you set are based on the actions you want to drive or behaviors you'd like to influence. This will lead to a series of objectives that drive the creation of your individualized video-powered experiences.

Avoid setting "soft" brand goals that are limited to reaching and engaging consumers. Instead, tie your goals to performance impact that drives business value.

Then break each goal down into KPIs that can be measured. Matching goals with delineated data buckets and topics enables modularity, and thereby adds another available and valuable layer of individualization.

Goal: Measurable KPIs

Expense reduction	**Customer retention**	**Revenue growth**	**Enhanced customer experience**	**Strategic initiatives**
Decrease in related care costs	Reduction in churn rates	Lift in incremental revenue per dollar spent	Lift in brand favorability or Net Promoter Scores	Lift in adoption of digital or self-service tools

BREAKTHROUGH OUTCOMES WITH SUNDAYSKY VIDEO-POWERED EXPERIENCES

T. Rowe Price developed an individualized video program with the goal of increasing contributions and online account interaction by 529 college savings account holders.

Explore the full case study here >

Scene Goal: Increase contributions to savings portfolios

Business Impact: 194% lift in the number of Automated Monthly Contributions and 552% lift in AMC dollar amount invested

Scene Goal: Increase Customer Self-Service

Business Impact: 337% lift in adding paperless statements

*AMC: Automated Monthly Contributions

REACH YOUR AUDIENCE THE RIGHT WAY

Reach is connecting with your audience at the optimal time and in the optimal way. Exceptional CX incorporates reach to connect with consumers during moments of consequence across the customer journey by providing assistance and information when customers are most in need, alleviating stress and confusion.

Identifying the right touch point and channel is important. If a video-powered experience is not delivered where the customer will most likely watch it to completion, that's a wasted communication; if it's not delivered at the best moment for the consumer, your communication risks irrelevancy and causing annoyance.

Enhance your distribution efforts with a multi-reach strategy that delivers an individualized digital experience wherever and whenever consumers prefer to engage.

When individualized content is modular, messages can be reused and repurposed across a combination of channels, devices, and touch points including:

- Programmatic off-site ads repurposed in on-site heroes & interstitials
- Messages can vary based on pre- or post-authenticated portals
- Mobile app content can be triggered by IVR after inbound customer support calls
- Real-time confirmation to customers upon order completion within the retail store

This enables relevancy and continuity, which in turn creates great experiences for customers.
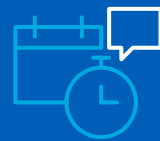
A multi-reach distribution strategy should be:
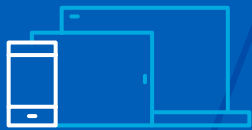
Accessible over multiple device formats

A combination of push and pull channels across paid and owned media

Prompted by event-driven or timing-triggered touch points throughout the customer lifecycle

BREAKTHROUGH OUTCOMES WITH SUNDAYSKY'S VIDEO-POWERED EXPERIENCES

AT&T launched a personalized video program integrated across different touch points and channels to lift online conversion rates, and to streamline the onboarding and billing process.

Explore the full case study here >

Pre-roll video ads delivered on publishers site within 30 days has proven to bring prospective customers back and lift online conversion rates.

Videos are pushed to new customers via email within one day of ordering a new device or plan to enhance the customer experience

Customers can access monthly video bills from the mobile app and within account portals, thereby reducing inbound billing-related call volume.

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WHAT'S THE STORY?

Modular storytelling goes beyond the conventional linear narrative process. Stories are created by sequencing messages that are a blend of audience, goal, and reach data. The resulting stories create video-powered experiences that are as adaptable and individualized as possible.

Let's break it down. With modular video, each scene is a specific topic aligned to a specific goal. Sequencing scenes together creates an individualized experience based on each audience member's data profile and the behavior you're looking to influence.

Even better? Scenes can be reused, repurposed, and individualized across different stories. That makes them agile and adaptable.

This means that every time you want to create a new video experience, you can reuse scenes you already have, make a few tweaks, and maybe add a few new scenes. Weave them together and you'll have another unique message.

And you can do this over and over and...

The final result is not only an enhanced customer experience that is timely and relevant, but a process that allows you to achieve one-to-one digital engagement—at scale.
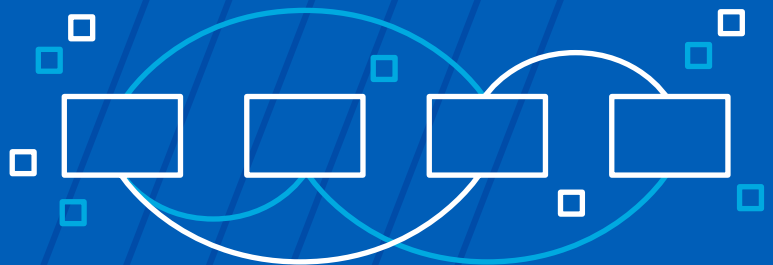
BREAKTHROUGH OUTCOMES WITH SUNDAYSKY'S VIDEO-POWERED EXPERIENCES

Staples targets website abandoners with individualized video ads, which include dynamic images and narration that change based on the product category viewed.

Explore the full video demo here >
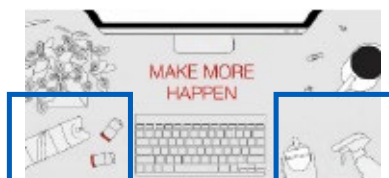
Cleaning Supplies
"Keep your workspace clean"

Office Supplies
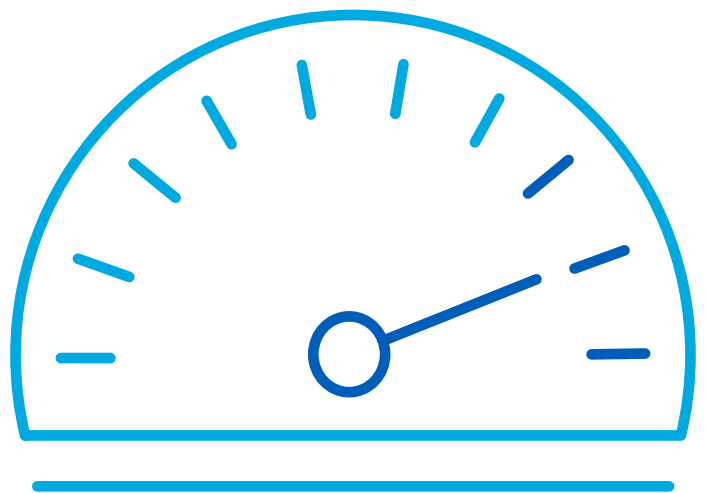"Stay stocked on office supplies"

Technology
"The right technology solution"

MEASURING
PERFORMANCE
& IMPACT

CONTROL GROUP METHODOLOGY

Now that you're engaging with consumers on a one-to-one basis, how do you know you're doing it effectively?

Measuring performance and impact during every step of your individualization/video-powered experience strategy is the only way to really know what's hitting the mark with your customers, and what's falling short.

Those results can then be applied to future iterations of your programs. In fact, the analysis and post-execution work should be considered just as integral to your strategy as the planning and execution.

Establish a control group to measure the incremental impact of individualization against defined KPIs. Next, implement A/B testing to identify the right level of individualization, optimal placement for CTA buttons, and even where in the communication to place your key messages.

But just because you can isolate and test every single element doesn't mean you should—be strategic.

Identify the factors that have the greatest potential impact on the success of your program and measure those. The result should be a closed-loop process that ensures you are influencing customer behavior in a sustainable way that creates reciprocal business impact.

Not getting the results you want? No problem. The modular approach means making changes is easy—no need to start from scratch!

Tips to A/B testing:

CONTROL GROUP METHODOLOGY

1. Measure one element at a time

2. Establish a control group

3. Identify and reduce any influencing factors

4. Identify the business cycle in order to capture all behavior types

5. Verify results by repeating the test

SUMMARY: THE KEY POINTS

We know that was a lot of information. Here's an outline of the main points to help you achieve genuine individualization in the Age of the Consumer.

1.
Redefine what a individualized customer experience truly is: emotionally engaging and contextually relevant content that communicates the next best action on a one-to-one level.

2.
Recognize that every single one of your customers is an audience of one, not just a market segment defined by their demographic or past purchases.

3.
Think modularly—from audience member definition and creative development, to delivery channels, devices, and mediums. This allows for unlimited scale of individualized experiences across the customer lifecycle.

4.
Evolve beyond the archaic notion of market segmentation. The next-generation method is overlaying multiple data attributes repeatedly until the audience of one is achieved.

5.
Align and assign performance goals to individual topics. Avoid "soft goals" and make sure they're tied to actual business impact and sustainable customer behavior change.

6.
Dissolve media silos and mitigate wasted reach by employing a multichannel, multi-touch point, and push-pull strategy that puts the customer at the core.

7.
Escape the traditional and restrictive linear storytelling process by sequencing topics together when they are relevant, according to audience data attributes and specific goals.

8.
Measure performance and business impact with a control group methodology to not only identify incremental impact but test different elements to optimize performance.

"Individualization done right doesn't look like personalization... it just looks like a great customer experience."

Brendan Witcher
Principal Analyst eBusiness & Channel Strategy, Forrester

Listen to the Adweek webinar: **"Why You're Getting Personalization Wrong: The Future Of One-To-One Engagement"** with guest speaker Brendan Witcher **>**

ABOUT SUNDAYSKY

SundaySky is transforming customer experience for the world's most demanding brands, enabling them to deliver video-powered experiences that drive breakthrough outcomes at moments of consequence across customer journeys. With SundaySky's Video Experience Platform, brands generate millions of unique digital experiences annually that transform high-stakes moments of consumer frustration, confusion or indecision into moments of engagement that delight and inspire customers to action. Proven with companies like 1-800 Contacts, AT&T, Citi, Staples, UnitedHealthcare, Verizon, and many others, SundaySky's unparalleled platform and unmatched domain expertise equip brands to achieve step-change business results and quantifiable value from increased revenue, reduced costs, lower churn, and higher customer satisfaction.