Winning the Modern Consumer with Personalized Experiences at Scale

Daren Hull, Chief Customer Officer, Vera Bradley
Tasso Argyros, Founder & CEO, ActionIQ

CRMC Chicago - June 6, 2019
Talking Points

- What is personalization?
- Can you support personalization?
- How to scale personalization?
What is Personalization?
Once upon a time there was a man named Tony
Tony ran a neighborhood pharmacy here in Chicago
Right about the time this was happening
This was also happening…
...and my career in retail was starting
What Tony Believed

- People are social and yearn for human relationships with people who understand them
- Customers will be loyal if you are loyal to them
- Big pharmacies couldn’t shut him down, because they could never care more than he did
- You can do anything, but not everything, focus on what makes you great
Tony’s CRM technology
Tony’s CRM Strategy

- **Market to Serve** – Focus on customers taking ongoing medication

- **Consistent communication with audience relevant messages** – Every morning he called customers that potentially needed a refill

- **Segment ownership** – Retention was king, once you were in he did anything to make sure you never left him

- **Key KPI** – Positive customer growth, if he was adding cards, sales would be fine

- **Value added services** – subscription programs, same day delivery, onshore customer service
Was Tony ahead of his time?

- This is what successful neighborhood stores have done for centuries
- At his funeral, there were hundreds of people from the neighborhood there. Why? Personalization is personal
- He succeeded because he was focused, consistent, and predictable
- Long term success and deep relationships were more important than shallow, short term gains
- He didn’t hire people and tell them to be good, he hired good people
Personalization = What Tony would do

How will you use modern technology to scale Tony?
What is the impact of personalization?

Personalization, when fully unlocked, can deliver 10-20 % more efficient marketing and cost savings, and a 10-30 % uplift in revenue and retention.

- McKinsey

Getting personalization right and scaling it across the organization can reduce acquisition costs by as much as 50%, lift revenues by 5-15%, and increase the efficiency of marketing spend by 10-30%.

- Harvard Business Review
Can you support personalization?
Question 1: Is your foundation set?
Personalization Requires Change

Data

Process

Channels

People
It’s too late for these guys
‘User 435516 has visited the website at least once’

‘Every single interaction on the website for every user in the last 3 years’
Data: Silos not okay anymore

- eComm
- POS
- Call Center
- Product usage

Connect physical and digital + Unified Profile
**Process: Invert the pyramid**

- **Business**
  - Deploy
  - Modify Target Criteria
  - Wait 2 weeks

- **Analytics**
  - Run SQL
  - Don't have attribute
  - Put in Queue

- **IT**
  - Run SQL
  - Put in Roadmap

New idea or hypothesis

**Agility**

**Democratization**
Channels: Silos not okay either

One or more point solution per channel

Orchestrated journeys and real-time triggers
Channels:
Siloed and Data Light
Disconnected limited access

Profile
Digital
3rd Party
Transactional

Processes Manual and Broken

Email
Site
In-Store
3rd Party

Data: Disconnected limited access

Channels: Siloed and Data Light
….to a solid foundation

Connect
Unify

100% business democratization

Profile
Digital
3rd Party

Transactional

Email
Site
In-Store
3rd Party
Question 2: Are the People and Culture Ready?
Re-Define Key Roles and Responsibilities for those Involved
Rebuild Planning/Processes to Support Collaboration

**Intake**
Marketing Manager fills in Task Brief with specifications for assets being requested. The project is evaluated by the Account Coordinator and either approved or re-routed.

**Resourcing**
Approved projects will move into the resourcing stage where the In-House team identifies the right people for the job based on experience and availability.

**Production**
The selected team will collaborate with the Project Owner to complete the project based on the initial request.

**Delivery**
Once approved assets will be finalized and prepared for uploading into the Data Asset Management Portal then shared with all relevant stakeholders.
Be Transparent About What You Are Expecting

- **DEFINE** mission and values for personalization
- **DESIGN** customer programs that will be impactful to customer satisfaction, with the mission and values in mind
- **LISTEN** to your key customer touchpoints
- **ANALYZE** progress against customer satisfaction and other goals (choose no more than a couple KPIs)
- **ACT** on your analysis. Personalization is about reacting with empathy to the customer and change, not about collecting data for meetings
How do you scale personalization?
Where To Start?

______ will be the personalization sponsor/champion for my team
______ drives profitability at the company
______ is most impactful in creating a positive experience
______ metric matters most to us
Approach to Build out Programs

- Brand to Many – Started when brands started sending emails
- Brand to 1 – Table Stakes, tends to be product or channel specific
- Brand to Few – Generally focused on where you are in the customer journey. Often not to be product or channel specific.
- Keep it simple at first, leverage people who deal with customers to help
Brand to Many: Welcome to the Brand

- Communication to a broad target such as new customer who just placed their first order
- Utilizing a simple change to the communication based on what the customer purchased
Brand to 1: Dynamic Ads & Placements

Before

After
Example: Vera’s Holiday Party

- Shared a list of high value customers with the store who had not yet shopped the event
- We qualified high value customers for high touch service
- Leveraged people who deal with customers to help (associates phoned key customers to invite them in)
Audience Activation in Brand to Few is Journey Involved

Brand to Many
- All act
- All Active Buyers
- New Customers
- All Lapsed Buyers
- Clearance Buyers
- Buyers Exclusive to In-Store
- Buyers Exclusive to Online

Brand to Few
- Target based on buying behavior
  - Early/late event shoppers
- Occupation/Demographic targeting
  - Students or Teachers
- Product renewal reminders
  - ‘Buy new’ message to Luggage buyers from 4+ years ago
- Complete your product set messaging
  - Targeting for solid or pattern buyers
- Highest value look-a-like
  - Incentivize people who exhibit X,Y,Z
Executing A Vision…

- Set small goals with strict deadlines/constraints…and then hit them.
- Focus on what is actually important, and find new ways to solve those problems.
- Articulate the what you want simply…

  *We want a ________ [thing] that allows ______ [customer group] to ______ [benefit] by ______ [method].*
Questions?