

# THE FOUNDATION OF PERSONALIZATION

Fusing **data science methods** with consumer research to positively impact the **user experience & behavior**

WRITTEN BY  
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## PART I.

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# When we lose sight of **the human element**, the customer isn't far behind

### CUSTOMER COMPLEXITY SIMPLY PUT

Let's get to know Lucy.

Lucy is a single millennial living in the Northeast, works in finance, collects indoor plants, starts her research on yelp.com, has two cats that she considers family, and likes to take one trip abroad every year. She is many other things too, all of which make her a complex individual with passions, quirks and aspirations. She is also a dream customer for you — loyal for eight years. Not only did she positively write about you on her popular blog, in forums and on review sites, but she also encouraged friends and family to join your cause.

She fancies herself a socialite and shares more than 10

pieces of brand-related content on Instagram daily to her 4,000 followers. She often treats herself when shopping online and is quick to add items to her cart at the slightest mention of a product recommendation. Even if she spent a long time building up a shopping cart, Lucy admits that she's quick to abandon it if the website malfunctions. She's also intimidated by shipping costs.

There's so much to know about Lucy. But what matters above all is that she is a reliable, aspirational — sometimes irrational — influencer. And she takes what you say into account when going out, getting dressed or browsing the web, all throughout her day. **Your voice matters to Lucy, so Lucy's voice should matter to you.** What if I told you that last Tuesday, after receiving

yet another generic email newsletter with a message targeting established families in the Midwest who that coupon aggressively and favor brick-and-mortar shopping, she unsubscribed from all communications with your company? *Yes, Lucy too can quit you.*

Responsys surveyed 2,000 adults and found that 34% admit “they have ‘broken up’ with a brand due to receiving poor, disruptive or irrelevant marketing messages.” Whether browsing products on Amazon, people you might know on Facebook or movie recommendations on Netflix, consumers now expect personalized and relevant offerings at every digital corner.

If something feels off topic, unnecessary or inconsistent, it’s not hard to find the button to disconnect.

### THE LIMITATION WITH AUTOMATION

So then it’s no surprise that marketers around the world are starting to address customer retention more, making it a top priority to relate to consumers on an individual level. Experian surveyed 1,190 global professionals with authority in marketing and found that more than 50% ranked “*enhancing knowledge of customers’ needs, attitudes and motivations*” as one of the top three priorities — the most selected priority for 2016.

This rings true with their customers as well because according to a study by thunderhead.com, consumers identified the biggest mistake companies make with their customers as “*sending messages that are inaccurately targeted.*”

There is so much more content being created today than at any point before; it’s difficult enough to sift through the noise. Time and time again, we learn that customers are breaking up with brands because so much of this content is also irrelevant to them. Relevance has become a bystander in society’s move toward automation of communication. Yes, automation, scalability, artificial intelligence (AI) are all good things for so many applications, but humans — actual human beings — are wanting that grassroots, friendly, familiar outreach more and more.



Today’s products and services are so good at making consumers feel understood that we as a society have come to expect that from every brand experience.”

This mentality can be seen in many aspects of life, from the popularity of etsy.com and the admiration for local business to the growth of the slow food movement in restaurants and even big box grocery stores. In the same respect, customers are expecting marketing to be all about them and their needs. Just like with Amazon, Facebook and Netflix, today’s products and services are so good at making consumers feel understood that we as a society have come to expect that from every brand experience.

For example, someone recently shared a social post of their friend pointing out how ridiculous it was that a Twitter ad (and not one of those “follow me” ads that track recently viewed products, either) recommended he buy a pair of tennis shoes that he’d already purchased the week before. Funny, right?

But consider for a moment how spectacular it is that the internet knew him so well that this advertiser was able to predict exactly the pair of shoes he went out and physically purchased, even at around the same time. **How interesting is it that we as a society are expecting even more personalized service and messaging than that?**

## AUTOMATED MARKETING TO THE INDIVIDUAL

Years ago it would have been considered frontierism to apply AI, automation and robots to marketing and business. And yes, to some extent that rings true today. But with the proliferation of the internet, mobile, social, big data and the Internet of Things, the new frontierism lies in making automation feel human.

Adobe surveyed 3,000 marketers, and an overwhelming majority of respondents said that optimizing the customer experience was their biggest opportunity this year. What's more interesting — when asked about the most exciting opportunity in 5 years, the same group of marketers responded overwhelmingly to elect a new winner: data-driven marketing that focuses on the individual. (Figure 1)

Let's think about that for a minute and let it sink in.

Marketers from around the world are in agreement that they need to focus on the customer experience now and within 5 years achieve data-driven personalization. But with the data analytics industry experiencing unprecedented growth today, *do we have the luxury of time?*

How is this achieved right now? How can brands blend automation and scalability without losing the focus on the individual? **The answer lies in intelligent identification for personalization.**

Personalization starts with giving shape to your existing and future customers through deliberate data collection, qualitative and quantitative research, and applying something that is less common in marketing today: data science methods to drive consumer insights. By elevating the traditional persona development process with new technologies and methods, we are one step closer to

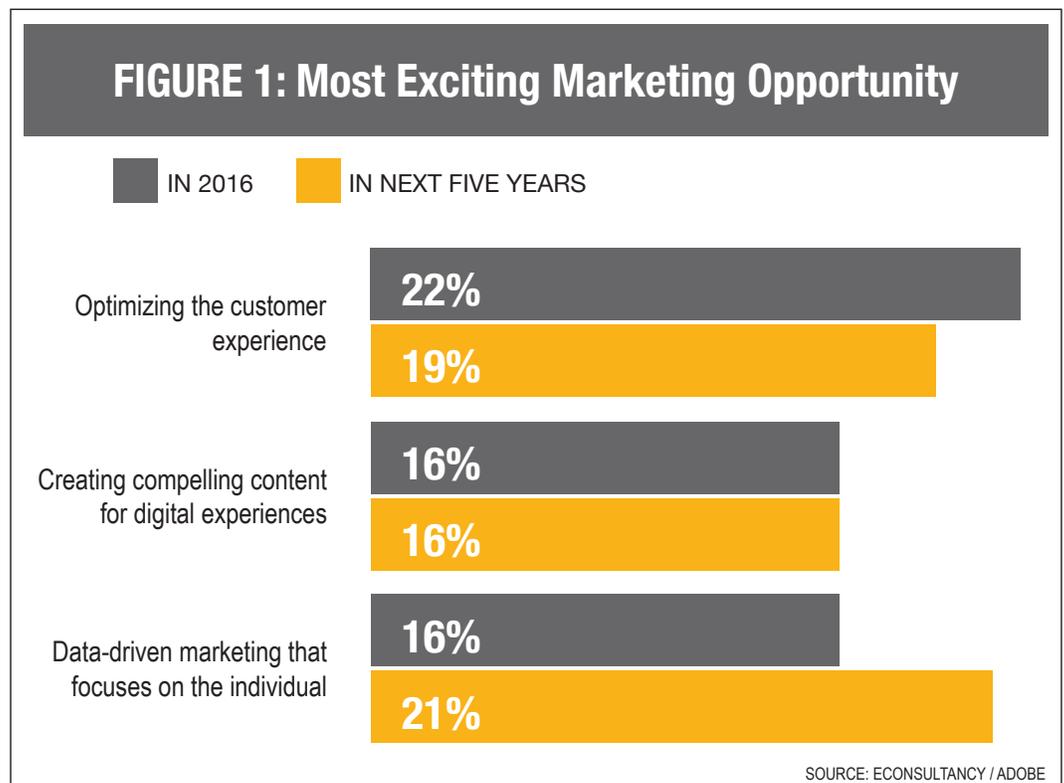
achieving true personalization, driving business decisions and influencing customer behavior.

Thinking back, what if things with Lucy went a little differently? By leveraging these data-first processes and setting them into motion around deliberately collected information, we can start to develop representations of who buyers really are as individuals — what they are trying to accomplish, what goals drive their behavior, how they think, how they buy and why they make buying decisions, etc.

Even more importantly, we can identify which buyers we should focus on first, whether we are trying to encourage loyalty programs, redesign a website, launch a social media program or something more all-encompassing, like customer retention and acquisition. By developing these representations, brands can provide personalized communications, offer relevant promotions, mitigate churn, improve the user experience and more.

By fusing data collection, quantitative/qualitative research and data science, we can develop the most advanced representations of consumers and get closer to addressing individual needs in our automated marketing world.

### Data gets us from persona to person.



# The art & science of understanding consumers

We've discussed the importance and prioritization of bringing a human element to today's automated marketing landscape, but how are marketers able to internalize the customer they are trying to target?

Leveraging data and consumer insights could answer the impossible question — how can we relate to our customers as human beings from behind a computer screen or a spreadsheet of names, numbers and IDs?

## DESIGNING THE RESEARCH

Marketers frequently ask where and how to get started with “making human beings.” How many will be needed? What do I need to know about my humans? Is it OK to make stuff up? While some of these questions may sound silly at first, they are among the most commonly asked when first setting out to make audience activation profiles. For starters, you need to identify the purpose of leveraging this data for your organization.

Maybe you're looking to identify future customers or connect with an existing customer base. Even so, every brand and organization is different and has specific needs, but having representations of your consumers — and colonies of consumers — on hand is key when building relationships with your customers or clients.

For example, are you working on a web redesign? If so, do you know what type of content to choose? What about colors on the homepage? Will you incorporate videos, animation, reviews, social mentions? Maybe you're not working on the website, but instead are about to attend a major conference with your team. Will you approach each customer with the same pitch about your business or will you have one generic piece of content to share with every attendee? Perhaps you're training a team of customer support agents. In that case, will they have the same script for each interaction? If you're

starting to see the need for a holistic and detailed view of your target customers' needs and attitudes, then keep reading.

## IDENTIFYING THE DATA SOURCES

To get started, work with an experienced partner to identify opportunities for data collection. With budget in mind and vendors vetted, consider first your specific industry and any preconceived notions about your customers.

Start simple. This might be a good time to interview people within your organization, from a sales leader to a support technician. Any customer-facing member of the team may have some insights to share that will help get you started.

Then, think bigger. Taking any knowledge you may have collected, consider how to get in front of your target audience. For example, researchers at fast food restaurants may see value in going to physical storefronts and interviewing customers in exchange for gift cards.

For most industries, a digital survey or phone/webcam interview will work. In many cases, a focus group will deliver great insight.



Leveraging data and consumer insights could answer the impossible question: **how can we relate to our customers as human beings from behind a computer screen or a spreadsheet of names, numbers and IDs?**

Using any consumer insights you may already have, this is where you come up with the research design and identify whether focus groups, surveys, usability testing, diary/journal entries, interviews or a combination of several approaches will work best for your project.

### COLLECTING DATA

Now that the data sources are mostly identified, it's time to collect the data. This may sound straightforward, but here is where things might get sticky. Consider the output before framing up your research. Even the way you format survey questions and responses might save you valuable analysis hours (or cost you extra time) when you're getting the data ready for analysis.

Consider what tools will be used for analysis and try to prevent unnecessary cleanup time by setting up the

research with that in mind.

### THE QUANTITATIVE/QUALITATIVE APPROACH

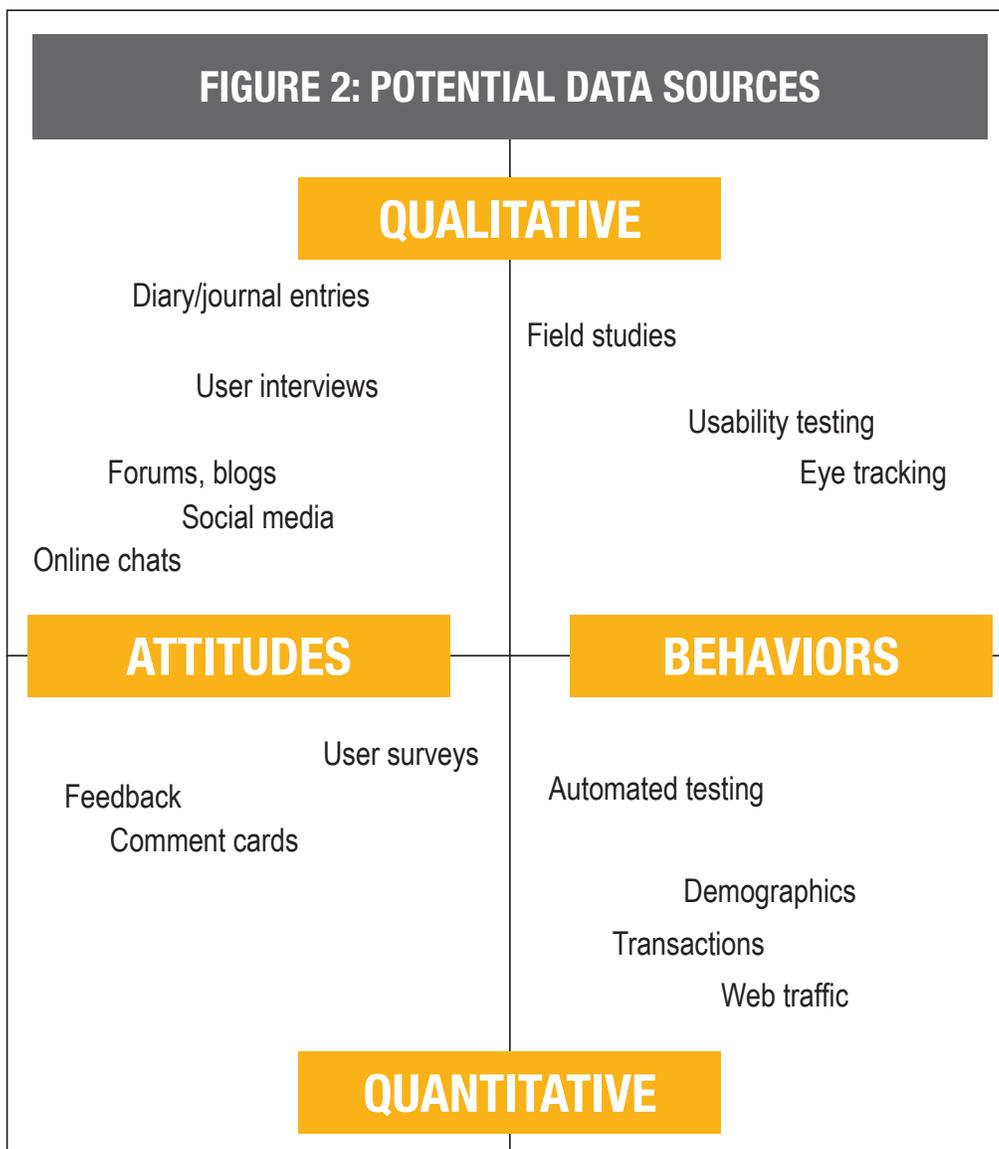
Think quantitatively/qualitatively, making sure that you have enough opportunity to collect free response and interview style answers from consumers, as well as quantitative data to back it up. Quantitative could be website traffic, usability testing, buying patterns, demographics — anything to help build a story around your audience. Qualitative tends to be observational or human generated, such as surveys, social conversations, focus groups, interviews, etc. (Figure 2)

Many marketers often ask about the types of things to ask. This is where the true “art of consumer insights” comes in. The questions need to be focused, with clear language and intent. The topics of discussion

vary also. However, some best practices are listed in Figure 3. Unfortunately, this is where the research delivers surprising results or disappointing ones. And in that regard, the content of the research design varies greatly per brand, industry, delivery method, analysis goals and more.

In this example, let's assume we're wanting to personalize the movie-going experience for a major theater company. Good multiple choice questions might look like this:

- How often do you go to the movies?
- When going to the movies, what is your typical mode of transportation?
- When choosing where to see a movie, how do you typically choose a location?
- What are your favorite genres?



- In general, you most like movies that were released in which of the following decades?
- Who would typically accompany you to the movies?
- What factors drive your decision to go to the movies instead of rent or stream them?
- When you stream movies online, it's usually because:

...And so on. With interview or survey questions, you're trying to get to the "why" rather than just asking "do you like movies?" and "what's your favorite theater?"

Of course, it's best to ask more than enough questions. In this case, an incentive offered to respondents helps get more focused and willing participation.

### QUALIFYING, SCREENING & RECRUITING

There are also questions that are purpose-built to ensure that respondents are paying attention and not just choosing "c" for all responses. For example this prompt disguised as a question might look like this: "Please type the word 'other' into the free response field." If someone fails to respond accurately to one of the test questions, it's best to throw his/her responses away. Something else that often gets overlooked is the recruiting for the surveys and

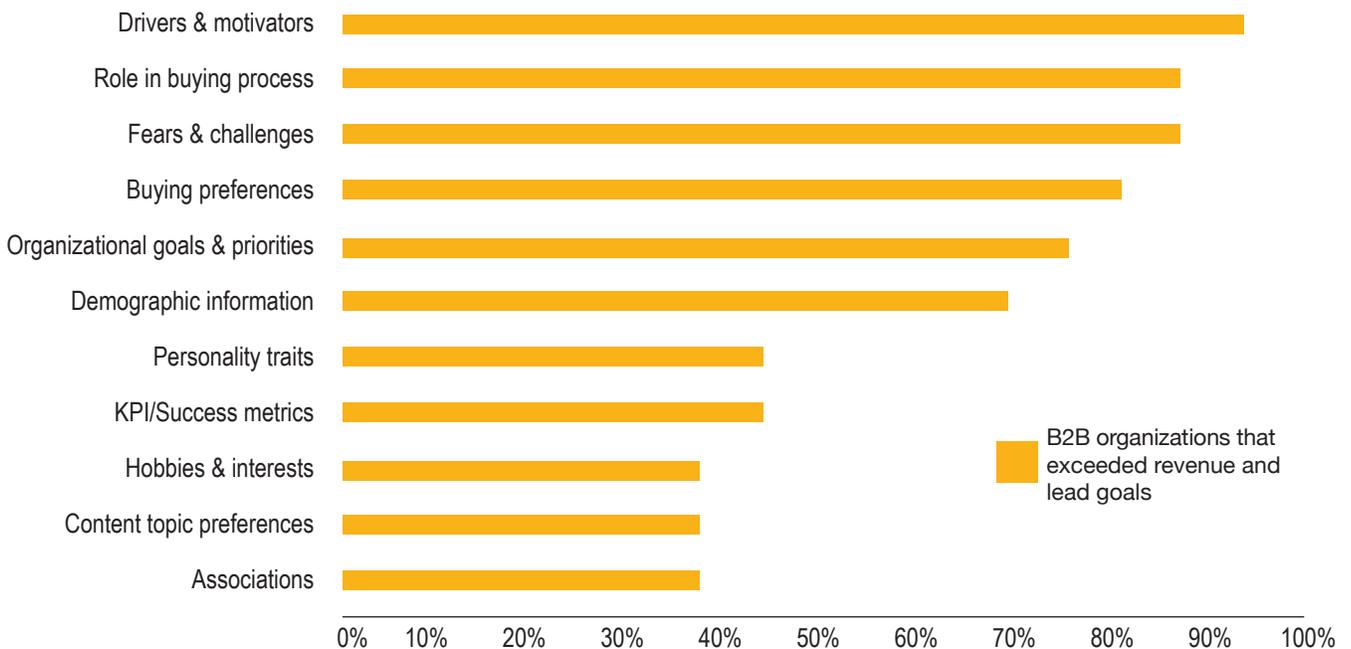
interviews. Unless you have a solid database of people already (in which case, you might be missing out on touching new customers, building a truly holistic view of your audience), it's recommended to work with a vendor and partner to identify who it is you are targeting.

You will need to develop a screening process based on your needs to disqualify any responses that might not be relevant based on geographic location, age, occupation or whatever suits your project. For example, when a mobile app developer from Japan wanted to gauge brand awareness in the United States, the screener was pretty simple: All respondents must have lived in the U.S. for at least 2 years and own a smartphone or tablet with access to Wi-Fi or data.

Some screeners, however, are not so simple. It really depends on your needs and how targeted you want to go.

It also depends on whether or not this is your first attempt at building consumer representations because every time you identify your customers and truly get a sense of who they are, you can repeat the process to gain even more information about them. In that case,

**FIGURE 3: DATA COMMONLY INCLUDED IN BUYER PERSONAS**



SOURCE: CINETELL

your screener can focus in on the audiences based on information you have previously uncovered.

Once you've completed the research design and have worked with your partners and vendors to distribute the surveys, interviews and everything else, start pulling web data that you may have access to while the qualitative data is collected. This can take weeks or even months,

there are multiple options for analysis with this data.

One of the most powerful methods of analyzing quantitative/qualitative data is to find patterns and identify like behaviors. Once your data is prepped and tagged according to your needs, performing a clustering analysis will help reveal patterns in the data. By definition, a persona has the characteristics of a group of users. Yet

surprisingly, a pattern-based approach isn't as common as one might think when it comes to building archetypes of many different types of people. So we're not focusing on persona development, but instead on audience activation with detailed representations of consumers.

This is potentially where you get the number of profiles based on the number of intensities you find in the data. Taking a pattern-based approach is the best and most accurate way to find groups and connections throughout the information. By graphing the data points, you have a unique opportunity to see all of the data at once and identify where connections and patterns really live. Before querying or mining, you can already start to see the

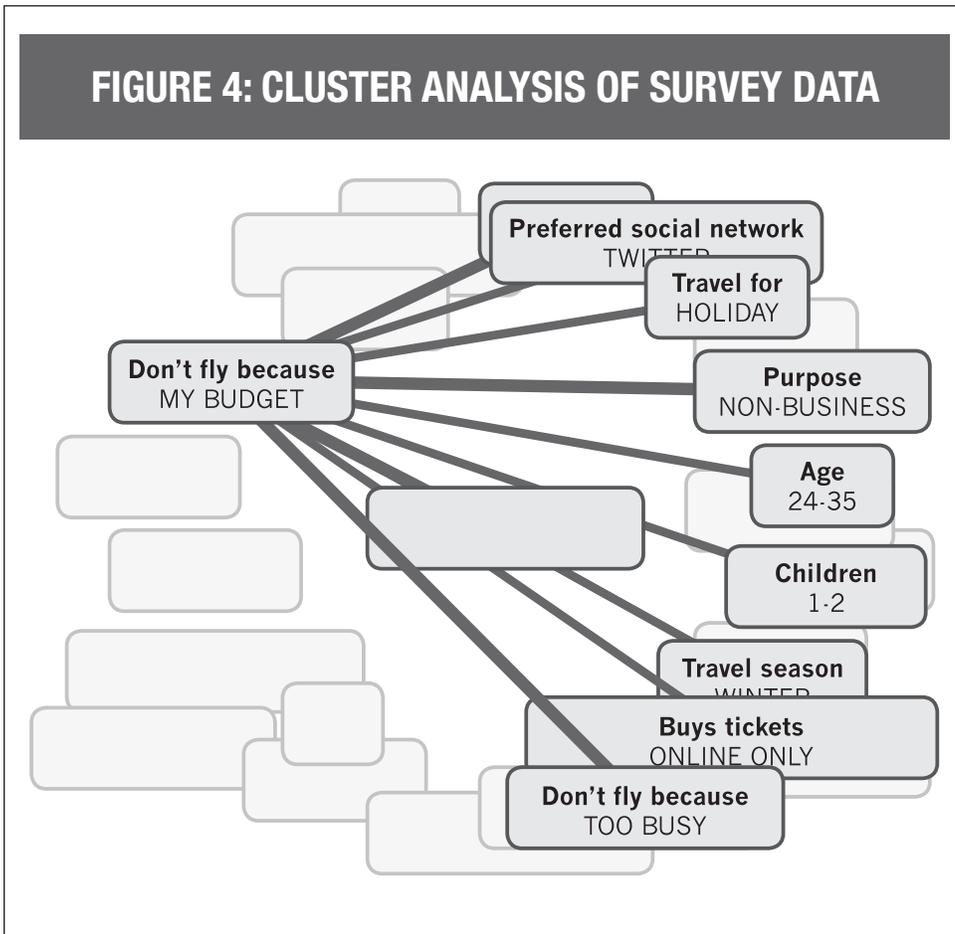
opportunities hiding in your data. (Figure 4)

Now it's time to develop the customer's voice. By querying social media data and mining forums, chats, comments or feedback cards, you can develop the voice of the customer. Adding in direct quotes from surveys or interviews will help put that human element among the facts and figures.

### BRINGING DATA TO LIFE

Telling the story is the most important part of bringing the human element to segmentation and should not be rushed. When you put all of the data together, you can build

**FIGURE 4: CLUSTER ANALYSIS OF SURVEY DATA**

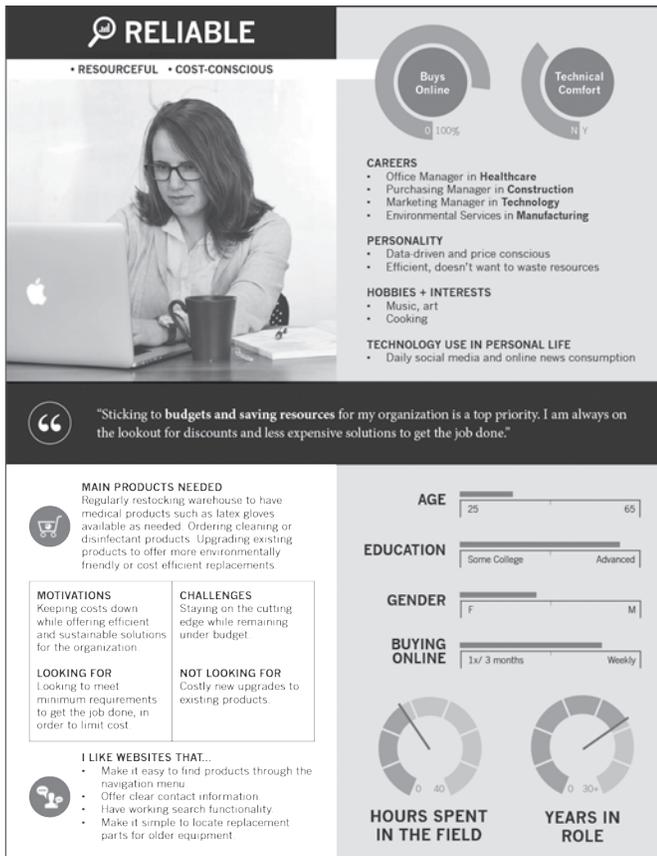


depending on how many respondents you are seeking. Just like the number of representations you will end up with, the number of respondents varies per industry, use case and final goal.

### THE DATA ANALYSIS

Let's regroup before moving forward: You sent the survey, held focus groups, interviewed people on the phone and in the field, watched users interact with your website or product, collected journals and now have some of the data that you need to build representations of your customers. You may be wondering what's next. Buckle up because

# FIGURE 5: PERSONAS BUILT WITH PATTERN-BASED DATA SCIENCE METHOD



archetypes that are true representations of your existing or potential customers. Some people use photos of real people, and some use models to give the segments more of a human feel. Some of the more creative approaches involve assigning animals to the profiles. Apply names and personalities to your human beings (or animals or birds, whatever works best for your representation). Tell stories about their day-to-day lives, their hobbies and backgrounds. Use real examples from your qualitative findings to build these out. Include real quotes and even a worldview.

Act on your segments. Once you have your audiences and colonies of consumers identified, the next great question is what do I do with them? This answer varies based on your needs and can involve building out web content or designing ads. The possibilities are truly endless because once you truly understand your customer and target audience, you can drive positive change in consumers and truly offer personalized experiences. Now, you can't please everyone

all the time, so it's important to come to terms with that and not drive changes to the representations based on one-off feedback. If you built the consumer profiles based on data, then you can validate your choices over and over to yourself and others. If you have the ability to assign segments to web behavior, buying patterns, social influencers and more, you can develop more advanced strategies to engage with consumers on a bigger scale. And the most important thing to remember is that people change, markets shift, trends fade and products evolve. Your segmentation may be on point today, but it will likely require fine-tuning. Sticking to a routine where you test out your archetypes by relaunching the research will help strengthen your understanding of how consumer behavior changes over time. Recognizing the lifetime value of each colony of consumers will help build strategies that last longer. Inserting analytics and research into your marketing practice will pave the way for better experiences for your customers and more engaged users for your organization.

## ABOUT THE AUTHORS

### TRACY YOUNGLINCOLN

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Tracy YoungLincoln is a forward-thinking and results-focused marketing executive with a passion for creating strategies that solve consumer and business problems leveraging analytics and technology. A patented inventor in the digital analytics space, she is a proven C-level communicator and team builder who has worked across several disciplines on both the agency and client side. Prior to serving as the **Senior Vice President of Analytics and MeasurementOps at Moxie**, she built the performance solutions and analytics practice at 22squared. Before that, she managed marketing teams at Consumer Source, UPS, The Lacek Group and more.

A digital veteran, Tracy boasts the ability to use technology to help teams and clients work better. She is passionate about improving consumer experiences and solving business problems using data-driven insights and methodologies.

### SHAWN MCGAHEE

SR. DIRECTOR, ANALYTICS



Shawn McGahee provides strategic leadership across a diverse set of analytics professionals and marketing channels. As the **Senior Director of Analytics at Moxie**, he's able to leverage his expertise in cross-channel analytics to deliver innovative omni channel insights and recommendations for Moxie and its clients. Shawn boasts more than 10 years of experience in developing customized analytics solutions for industry giants like Dell, AT&T, Kimberly-Clark, VeriFone, Georgia Natural Gas, Duke Energy and AMC Theatres.

Shawn earned a BS in Marketing from the University of South Florida and an MBA from Georgia Tech, where he teaches a social & digital analytics course to undergraduate students. He is also the co-founder and operations director of Humble Treasures, a nonprofit that serves those in need in the Atlanta community.

### MARIA STEPHENS

SR. ANALYST



Maria Stephens is a **Senior Analyst within Moxie's consumer insights division** and enjoys using data to positively impact the user experience and consumer behavior. Prior to working at Moxie, she managed R&D at a business intelligence start-up. Before that, she was director of an industry-leading Big Data program at a software company. In 2012, she launched Big Data Week in Atlanta, which was the biggest Big Data conference in the world at the time. In addition, Maria worked on data projects with the APD, SXSW, the National Audubon Society and more.

Maria served on the Board of Directors for the Technology Association of Georgia (TAG), the largest technology organization in the Southeast. In 2013, TAG honored her with the *Most Influential Member of the Year* award. Maria also won *Tech Marketer of the Year* for her data-driven approach in 2014.



By fusing consumer insights, analytics and data science, Moxie helps brands of all sizes deliver progressively more personalized experiences for their customers across their entire journey. To find out how Moxie can help you create more meaningful relationships with your customers, please contact [newbusiness@moxieusa.com](mailto:newbusiness@moxieusa.com).