

# The hard-learned lessons of personalised marketing

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31 Mar 2017

With the proliferation of smartphones and the growing amount of personal data available, a 'segment of one' marketing and sales approach is now rapidly becoming reality. Most consumers have proven willing to surrender a degree of privacy and share their personal data if they receive services, content or other features that they value in exchange.



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The upshot of such personalisation for company performance: In our experience, a segment-of-one approach, implemented thoughtfully at the right moments, can lift sales and allow companies to charge a premium price for the personalised experience. A recent survey of US consumers and retailers by Infosys found that among retailers using personalised offers and promotions, 74% experienced an increase in sales; 61%, an increase in profit; and 55%, an increase in customer loyalty.

However, it's all too easy to build a personalisation programme that falls short of expectations. You can spend a lot of money on data, app development and analytical capabilities, without seeing a high return on investment. Many companies learn these lessons the hard way:

- If the customer doesn't perceive value, marketing cannot bridge the gap. Unless you understand what really matters to customers, and deliver it judiciously, a so-called personalised marketing programme becomes a spam factory.

- You have to search carefully to access the right data. Finding the right data sets and integrating them in a way that's practical for marketing and sales takes a lot of work. And with consumers sensitive about unauthorised collection of their personal data, it is crucial to get their consent.
- Technology makes a bad launching point. Website optimisation and advanced data analytics are, of course, essential for turning raw data into insights that flow through to web and app design. But the technology platform should follow, not precede, development of strong use cases.

These problems can be avoided with a few careful steps in the process.

First, conceptualise how personalised marketing and sales will work best for your customer groups and product lines. Articulate a vision of how to engage with customers in a way they find attractive.

How? Identify the elements of your products or services that customers value most, and then determine how you could retrieve the relevant data to target individual customers to market those elements. Pin down exactly what customer insights you want to gain (and why) and what data you already have. How will you connect with your customers to send them personalised messages or offers? Have personalisation approaches already been tried in the market? If so, where do they succeed or fall short? And internally, what talent and IT resources does the company already have in place, and what gaps remain?

After fleshing out a strong concept, implement it using an Agile methodology (as opposed to sequential, or waterfall, development). The point is to get fast feedback from customers so that your emerging ideas can be refined quickly and cheaply. Focus on a few high-potential, high-visibility initiatives for the most suitable customer groups and product lines, in order to log early successes that can prove the business case.

Once an element of the concept has proven itself in the market, roll it out at scale, using a central function to steer the rollout and a shared technology platform to execute it. Marketing plans might vary slightly by country or by region, but should still be aligned globally. Bear in mind that scale rollout does not signal an end point; keep testing and learning in order to implement new elements and continuously improve the concept or adjust it as technology changes.

Segment-of-one marketing constitutes a major advance in marketing and sales. Like any powerful tool, it's dangerous if abused. An incremental, test-and-learn stance will keep companies in consumers' good graces, not their spam folders.

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