

The future of customer personalisation lies with AI

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As we move to the digital world, which offers an explosive number of options, many companies have lost the personalisation that customers appreciate in their offline world; personalisation where a merchant recognises them by name, remembers their preferences, and uses that understanding to help them make decisions.



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Personalisation succeeds when companies make it easier for customers to engage, buy, and consume what they want versus the outdated concept of trying to predict the right product, place, and time. The former offers actively listening and serving similar to the benefits of having a personal shopper, as opposed to the old school salesperson approach of simply pushing products on customers.

To get to this level of customer understanding and service, companies must move beyond simply knowing what customers purchase or consume and begin to understand why they made those choices. Are they a brand fanatic? Do they prefer certain colours, styles, or features? Do they have unique needs for allergies or accessibility? How would customers prefer to be engaged and serviced?

Companies need to build a living profile of the customer's unique preferences, passions, and needs, and lay the foundation for a future where personalisation platforms can architect previously unimagined experiences.

Customers vote with their choices when they make a purchase. This is often based on a variety of aspects, such as features, ratings and reviews, and brand name, among others. The various product attributes that customers have access to make up the product's DNA. The collection of these product attributes across the full set of merchandise can provide an extensive and descriptive data library to uncover why people chose what they chose. As an example, the DNA of a retail customer is comprised of ratings and reviews, colour and size options, style, fabric and brand characteristics.

Opportunity

In fact, all interactions – such as mobile app usage, email responses, social interactions, poll submissions, in-person events attended, etc. – are comprised of descriptive attributes that shed light on each customer's unique preferences, motivations and passions. Combining attributes across all interactions creates the customer personalisation opportunity, which is a living profile of the most unique aspects of each individual as they evolve in real time. For example, as a customer decides to purchase new clothing her living profile may reveal preferences for a casual fit, enjoys doing yoga, scoop neck shirts with motivational sayings, that are machine washable and also goes well with jeans.

Creating the right treatment plan for each customer as they engage across every touchpoint is now more critical than ever when creating remarkable experiences.

As one would expect, the development of a customer personalisation results in an explosion of rich and unprecedented information. This dramatic increase of knowledge requires more advanced methods, such as artificial intelligence, to determine the most relevant aspects of the customer personalisation to drive personalised recommendations, content, messaging, offers, and other subsequent interactions. There are many tools currently available that use techniques such as artificial intelligence, but most are failing to reach their potential due to a lack of the rich and comprehensive data needed for their algorithms.

Artificial intelligence

The marrying of the personalisation and artificial intelligence should help companies achieve the expected return on investment that many have been promised or are currently evaluating. The impact of the customer personalisation spreads far beyond personalisation. It may be a subtle shift in the data that is captured by companies, but it represents a foundational shift in how companies interact with customers and compete in the market.

Netflix has successfully moved from being a content distributor to a content creator, even though *House of Cards* was initially seen as a big financial bet. The success of this transformation was in large part due to its reliance on data and analytics, which has paid off enormously. Although Netflix does not rely on the customer personalisation as described here,

it demonstrates the power that intellectual property, built from customer preferences, can provide to drive effective business decision making. This is a company that is listening intently to its customers and is now armed with the precise and accessible data it needs to pivot in new directions quickly.

Certainly, data is the critical fuel to all personalisation platforms. But, not all data is equally important. Uncovering why people chose versus what they chose, builds an understanding of customer preferences, motivations, and passions, which provides breakthrough and proprietary IP to help drive decision making across the organisation.

ABOUT THE AUTHOR

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