



# Exploring the Six Factors of Relevance: The Personalization Approach

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One-to-one communication is widely recognized as the primary goal of e-mail marketing, but the challenge is in knowing where to begin. One fundamental way to capture your intended audience's attention and engage them in meaningful interactions is through personalization – another of the key factors that drive e-mail relevance and perhaps one of the easiest to apply.

As its most basic level, personalization is sending an e-mail message that contains the recipient's first and/or last name. When taken further, personalization complements segmentation in that message content is also keyed to a recipient's location, attributes, status, preferences, or behavior. The nuance here is that through segmentation you are sending e-mails of greater relevance to a particular group. With personalization you take certain elements of customer data and deliver content targeted to the individual.

## **Be personable, not recyclable**

Consider the impact of adding (or really, not adding) a first and/or last name to the subject line and body of an e-mail. By addressing an e-mail with "dear valued customer," you could be buying a fast ticket to the recycle bin because the message may be perceived as mass distribution. The message may also have the opposite effect of what you intended, and make the customer feel as if you don't really know or value her; how could you, if you don't even address her personally?

It is probable that you already know your customers' first and/or last names, especially if they have made a previous purchase. So if you have the data don't take these risks – use it! Of course, there may be cases when you simply don't know a prospect's or customer's name, but you may have other data (e.g., birthday, closest store, clothing size, or favorite sports team). If leveraged in your e-mail campaigns, this data will often enable you to make a more personal connection than with just a first name.

This brings us to more sophisticated levels of personalization. While still relatively easy to apply, these personalization tactics move beyond the basics and enable you to achieve greater relevance in your communication. They allow you capitalize on more meaningful interactions with customers. These tactics are best illustrated by the following three categories of programs.

### **Revenue-generating personalization programs**

These types of programs all have one simple thing in common: creating new revenue opportunities. Take for example an abandoned shopping cart program, which is highly personalized and productive. Abandoned carts provide you with an opportunity to send a relevant e-mail that reminds a customer that they have items remaining in their shopping cart from a recent visit to your Web site. You could further entice a customer to purchase those items by offering a special discount if they act quickly. The personalization of course lies in the understanding of what your customers have shown an interest in, and using that understanding to promote products for which they already have a soft spot.

One major clothing retailer recently conducted an analysis of their abandoned shopping cart program and discovered that by simply reminding customers that they looked at particular items of clothing and considered buying them, the company drove customers to finally pull the trigger and make a purchase. Interestingly, the retailer found that the difference in revenue generation between reminding people of abandoned items and offering special deals was not very significant.

Although a softer sell, loyalty programs can also drive a customer to purchase. By their very nature, loyalty programs generate valuable data about each individual customer. It's almost unforgivable not to use this information to personalize your e-mail programs. Take for example a music retailer that offers reward points. In order to calculate the points it must track how much that customer spends on each purchase. Likely it is also tracking what kind of music a customer purchases and the frequency with which he makes a purchase. By sending an e-mail that reminds the customer how many points he has accrued, the retailer can prompt him to claim his reward. The retailer could also offer a customer \$10 off of their next purchase if they spend \$60, or offer them two reward points for every dollar spent on their next purchase.

Other programs that derive great value from personalization are cross-selling and up-selling campaigns. In this case you can take advantage of the opportunity to promote products complementary to previous purchases a customer has made. For example, if a customer ordered a dozen roses last Mother's Day, send him a personalized e-mail acknowledging the previous purchase

and alert him that Mother's Day is coming again soon. Would he like to order roses again? You could also offer other floral options for consideration in case he'd like to try something different this year.

### **Relationship-building personalization programs**

In contrast, the objective of these programs is to strengthen your relationship with a customer and demonstrate goodwill by providing them with unsolicited, yet helpful information. This approach enhances the customer's experience with your company, and shows that you care about her as an individual.

An ideal example can be found in the travel industry, where a respected agency runs a highly personalized e-mail program when you book a resort vacation. The first message you receive is a confirmation with pictures of the property. Then, two weeks before your trip, the agency sends another e-mail alerting you to all of the amenities in the surrounding area, such as tourist attractions and activities. Five days before your trip, the agency follows up with another e-mail directing you to the nearest supermarket and providing the weather forecast for your stay. By going above and beyond the purchase to provide information of specific relevance to the trip, the agency generates a positive brand experience.

### **Content-targeting personalization programs**

Distinct from relationship-building programs, content targeting allows a customer to dictate the information he wants to receive from you (versus presenting the customer with content you feel will be of interest to them) and how he wants receive it. It doesn't get more personalized than that.

A major sports league accomplishes this elegantly by allowing the fan to select his favorite team as part of the league's newsletter registration process. The league then pushes the team's specific news headlines, players' statistics, rankings, and scores – all information of specific relevance to a particular fan. By consistently delivering this custom content to fans they are serving as a reliable, trusted resource, keeping fans actively engaged in the teams and further strengthening fan support of the league.

### **Don't try to boil an ocean**

It is okay to start small with personalization, and you really should. Take simple steps to become more relevant to your customers. Adding a customer's name to a subject line or addressing her directly in the body of your message is a great start. First decide what impact you want programs to have, then



build back from there. Ultimately you want each customer to feel like you really know and care about her as an individual, and this can be accomplished – more easily than you may think – by personalizing e-mail content based on what's of interest and greatest relevance to her.