

ANA

101

Website Personalization

Written by



1. The Lowdown

No matter what the medium is, when it comes to communicating with customers and prospects, one message does not fit all. That's why savvy online marketers use Web site personalization (also known as on-site behavioral targeting) to improve the performance of their Web sites. They do it by dynamically modifying content to match the needs and expectations of individual visitors.

The benefits should be obvious:

- Better content relevance results in higher conversion rates
- Lower abandonment rates
- Improved user experiences
- Enhanced brand perception

While the concept of Web site personalization has been around for years, a large number of new tools have only recently made it affordable and easy to implement.

2. Why do I need to know about it?

You'll sell more. Despite years of advances in online merchandizing, navigation, and usability, the online shopping experience is often a bewildering and frustrating experience. Those sites that manage to improve content relevance for their visitors are rewarded by improved conversion rates, higher average order value and enhanced customer retention. The lift in conversion rates from even the most basic content targeting approaches averages from 10% to 50%—and is often much higher in previously “neglected” segments.

Your customers want it. Demanding online shoppers have little patience for irrelevant content, and consumers are asking for targeted information. A 2006 eMarketer study found that 57% of consumers would trade demographic information for personalized content. According to Forrester, 77% of customers say they find product recommendations somewhat to extremely useful, and a recent DoubleClick Performics survey found that 59% of online shoppers would return to buy again if presented with special offers based on previous purchases.

Your competitors are doing it. Let's face it, things are tough out there. Jupiter predicts that U.S. online retail sales will plateau at just 10-15% of total U.S. retail sales. The e-tailing group's Annual Merchant Survey reports that online conversion rates are barely moving. According to Forrester, only 30% of online retailers consider their current up-selling and cross-selling initiatives to be effective.

Online businesses are recognizing that more sophisticated tactics are in order. Perhaps that's why 75% of e-business executives told Forrester they would begin the process of accelerating content targeting this year. At the same time, costs for such tools have come down and hosted solutions make implementation easy—removing some of the main barriers to entry for online businesses.



3. Where to start.

So, you're convinced that Web site targeting is the right thing to do but don't know where to start? Taking a crawl-walk-run approach often makes the best sense, particularly when there are so many quick wins that can produce immediate results.

Start by improving the performance of your acquisition campaigns by addressing the needs of anonymous visitors to your Web site. Next start reducing abandonment rates and increasing sales by targeting your visitors' on-site behavior. Finally, bring out the big guns to improve lifetime value by drawing in data across all of your brand's touch points.

Sound tough? Let's take it step by step.

First Impressions

One of the beauties of the Web is that so much useful information is available to us about seemingly "anonymous" visitors from the very first click. Become a more perceptive online marketer by leveraging these simple but powerful data points in your content targeting:

Inbound search terms. Even sites that are well-optimized for search often have difficulty presenting content that accurately reflects inbound searches—especially when a significant portion of search traffic is reaching the home page. Dynamically modifying site content to match inbound search terms is a simple and proven way to improve relevance for visitors first reaching your site. For instance, if the word "sweater" appears in the inbound search term, trigger a sweater SKU on the landing page.

Geo-location. If you have products, services, or special offers that are limited to certain geographic regions, then be sure to target them to visitors who live in the right places through IP-based or input-based geo-location. Brick-and-mortar businesses will also find this beneficial for driving visitors toward in-store sales and events.

Acquisition campaign. Your banner, email, and paid search campaigns may be utilizing scores or even hundreds of different headlines and offers. Rather than building different landing pages for each campaign variant, or sending them all to the same page, modify your landing page content dynamically to match the exact headline, offer, and other creative elements the visitor responded to. You'll see bounce rates drop and conversions improve accordingly.

Technical bits. Depending on your business, certain technical attributes of your visitors, like connection speed, ISP, and operating system can be pure gold. Sell software? Then be sure to present compatible products to users on each OS version. Sell telecom? Knowing which visitors are on competing ISPs can give you a head start on presenting your competitive advantages, or sniff out a visitor's current connection speed to up-sell him to a faster service.

Getting Behavioral

If your visitors' boring technical attributes are not enough to satisfy you, then sink your teeth into on-site behavioral targeting. Recommendation engines are frequently employed here to increase



average order value and revenue by presenting cross-sells and up-sells based on individual or aggregate clicks and purchase behavior. But there's more to the story.

What about all those visitors who start the checkout process but then abandon? Reengage them before they leave with a last-minute offer or a simple reminder about their unfinished order. Incentives aren't always necessary here. Some of the best reengagement messages acknowledge and assist users in the comparison shopping process by allowing them to leave product and pricing information at hand while in an open window while shopping elsewhere.

Better yet, learn to recognize the signs of an imminent exit (such as a period of inactivity during the check out process) and preemptively strike with a well-timed, well-placed message designed to overcome potential objections.

Finally, don't forget to close the loop with email and banner re-targeting campaigns that deliver strong offers on the products your visitors browsed or placed in their carts, but ultimately left behind.

Advanced Placement

Once you've covered the basics, it's time to pull out the big guns. Put your multichannel data to work by delivering offers that reflect the whole customer: offline and online purchase history, browsing behavior, email campaign response, brand affinity, product ownership—any and all data you have available. Draw in demographic, behavioral, and life stage data enhancements to round out profiles. Segment ways that will help visitors progress to more advanced and profitable stages of the customer lifecycle. Utilize predictive modeling and other analytic techniques to anticipate and present more-compelling offers.

4. The thing to remember is...

Web site personalization doesn't have to be a complex or expensive proposition, and strong results are often within easy reach. The particular challenge for online marketers here—as in just about every interactive medium—is the ability to recognize customers at the point of interaction and to consolidate often disparate sources of data. However, most of the tactics described here are simple steps that most online marketers can and should take to make the Web channel more intelligent and profitable.