

# Personalization Is Broken

Here's How To Fix It

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## In this guide, you'll learn:

1

Why doing personalization well has huge upside potential for your business.

2

How to recognize and overcome barriers to personalization.

3

How to gauge your progress on the path toward 1-to-1 personalization.



# Introduction

Consumers don't just want personalized experiences — they demand them. In fact, personalized experiences have become so expected that 71% of customers will be frustrated when it doesn't happen. Yet, [only 14% of consumers](#) say their last shopping experience was personalized, and [only 15% of retailers](#) have fully implemented personalization strategies.

With online interactions on the rise and brand loyalty up for grabs, it's more important than ever for ecommerce retailers to master personalization — but very few are doing it optimally. Despite all the data at our fingertips, it's tough to deliver 1-to-1 personalized experiences across every channel while responding and adapting to customer's changing needs and expectations.

But for ecommerce retailers that get it right, the potential Impact is huge. [According to recent research from McKinsey](#), companies that capture more value from personalization see 40% more revenue from personalized marketing actions or tactics.





# What Happened? Why Is Personalization Broken?

Many obstacles stop businesses from getting started with Personalization. Some of these barriers are perceived, and others are real challenges. Here are the most common roadblocks we see:

## BARRIERS TO PERSONALIZATION

- ⊗ — **NO DEFINITION:** Confusion over what ‘personalization’ actually is (lots of solutions try to say they do personalization to capitalize on the hype. For example, testing, recommendations, segmentation – all are integral to an integrated personalization strategy but they’re not personalization. The Kibo definition is: “Delivering the most compelling experience to each visitor across all channels. This is 1-to-1 personalization.”
- ⊗ — **TECH LIMITATIONS:** Solutions promising “personalization” and segmentation or product recommendations, but without any 1-to-1 capabilities. Others have confusing solutions that are difficult to adopt and utilize without an army of data scientists, developers, etc.
- ⊗ — **DATA READINESS:** Businesses feeling the need to have data “ready” before committing to personalization. Rather than using a solution that provides out of the box data, and the ability to feed in your own when you’re ready, many get stuck not seeing ROI as they’re trying to get all data aligned first.



- ⊗ — **LACK OF EXPERTISE:** Unlike AB Testing, where you have endless amounts of agencies, consultants etc., personalization doesn't have the same expertise out there (because of the above and below)
- ⊗ — **GOVERNANCE & TEAM STRUCTURE:** Linked to the above, there's not a huge amount of best practice out there as to how best to set up team structure or have good personalization governance in place. Team silos are tough to break up but without doing so, it's going to be tough to deliver cross channel 1-to-1 personalized experiences
- ⊗ — **SHORT TERM REVENUE PRIORITIZED:** Digital leaders having to focus on delivering on increasingly high revenue targets alongside more strategic goals like 1-to-1. If a business must choose, they will focus on fast incremental revenue gains and ROI.



There are others but these are the most common. Another factor for the lack of adoption is fear. Marketers and Merchandisers fear relinquishing control over the experiences delivered to their customers.

This brings us to successful adopters. The common theme across Kibo customers who are leading the pack with personalization is a clear goal. Those with an objective like *“to become the most personalized brand in our space,”* (see the full Reebok case study [here](#)), are best at overcoming all the obstacles listed above, including the ‘fear’ element.

All the ‘obstacles’ listed above can be overcome with a clear goal and by utilizing the right solution.

## Leaders vs Laggards in Personalization

✔ **LEADERS**  
 Focus On Digital Innovation  
 Translated In-Store Experiences Online  
 Surpassed Competition

⊗ **LAGGARDS**  
 Neglected Digital Innovation  
 Couldn't Translate In-Store Experiences Online  
 Overtaken by Competition



# Is Your Personalization Broken? A Quick Assessment

## Kibo Commerce 1-to-1 Personalization Strategy Audit

No matter where you are in your personalization journey, this assessment will help you understand what you're doing right — and where your strategy could use some work.

To help you determine whether you're on track with your 1-to-1 personalization strategy, we've put together a 1-to-1 personalization strategy scorecard. Answer each question, then tally your score to see where you land on your personalization strategy journey.

### A). I and my key internal stakeholders have a clear definition of personalization

**0-1:** *No idea, few have even heard of personalization*

**2-3:** *Yes, it's just recommendations*

**4-5:** *We all see personalization as delivering the most compelling experience to each visitor across all channels*

### B). I and my key internal stakeholders have a clear and common goal in mind when it comes to personalization

**0-1:** *There is no clear or common goal, each team has different strategic priorities*

**2-3:** *Some have a vision of personalization at scale, but it's limited to just one / two teams*

**4-5:** *All of the business is aligned on a goal of becoming the most personalized business in our space by 202X*



**C). The technology that I have in place today has the capabilities to deliver 1-to-1 personalization across all our digital assets**

**0-1:** *Definitely not, we struggle to display relevant product recommendations on web alone*

**2-3:** *We can alter web and app pages to certain groups of visitors, but its rules based and therefore not scalable*

**4-5:** *The solution that we have has proven examples of enabling similar businesses to us to deliver 1-to-1 personalization, and an array of open APIs to allow us to connect to our digital channels*

**D). The technology that I have in place today has a machine learning engine that is easy-to-deploy and interpret**

**0-1:** *It couldn't be harder. Only our most data-savvy team members can understand the reporting, and deploying / iterating experiences requires an army of developers*

**2-3:** *We can deploy experiences easily enough, but the solution is a black box so it's difficult to understand what is influencing the ML*

**4-5:** *Yes. Our marketers and merchandisers can deploy experiences without burdening IT resources, and the analytics and reporting are easy to understand and interpret*

**E). The solution that I have today incorporates everything that I need to deliver an integrated personalization strategy**

**0-1:** *We have 3 or more separate solutions for testing, recommendations, search, and even separate platforms for merchandising tools like social proof and badging*

**2-3:** *We're getting there but we still have multiple platforms, data sources, product feeds etc.*

**4-5:** *Yes, everything from testing through to social proof, recommendations, search, and 1-to-1 personalization is under one roof*

**F). Key internal stakeholders are ready to start personalizing (no push back from data / CRM / merchandising etc.)**

**0-1:** *Not at all, other stakeholders say that we need to get our data aligned first*

**2-3:** *The digital team is ready to go but the stakeholders say that we need more time*

**4-5:** *Yes, all the key stakeholders are onboard and ready to go*



**G). We have a partner / client success team on hand to offer the necessary expertise and guidance to get us to our personalization goals**

**0-1:** Unfortunately not, our current platform is self-serve, and our agency only has experience with testing and experimentation

**2-3:** We have an account team and an agency with experience in recommendations and segmentation

**4-5:** Yes, we have strategic and platform consultants on hand to help us with our data strategy, team structure, alongside helping focus our efforts on key business priorities and fast ROI

**H). The business is starting to / has already adopted a customer-centric operating model and team structure**

**0-1:** Heck no, our CRM is a filing cabinet and I've never spoken to another team before

**2-3:** We're getting there, we have a good understanding of our customers and a company culture of putting them first

**4-5:** Yes, our teams are without silos, and we have a single view of the customer

**I). I have the correct solution in place to meet my monthly revenue targets today, alongside being set up to deploy 1-to-1 cross channel personalization tomorrow**

**0-1:** No chance, I am struggling to deliver revenue generating tests today, never mind more strategic priorities

**2-3:** Right now I am limited to incremental gains from my testing solution, and I have a separate solution for cross channel segmentation

**4-5:** Yes! I have the means to deliver quick revenue generating experiences alongside the capabilities for 1-to-1 omni-channel personalization, all from the same platform

## Scorecard

What did you score? Calculate your marks and use the key below to see our suggested next steps!

**Score 0-9** = Stop what you're doing! It's time to get started on a personalization plan.

**Score 10-27** = You're on the path but missing a few key pieces of the puzzle.

**Score 28-45** = You're so close and on the right track to success! The right personalization could help you get there even faster.



# What to Look for in a Personalization Solution

## 1 Look for an easy-to-use all-in-one solution

By consolidating solutions, you become more efficient with resources and costs and can deliver an integrated personalization strategy. Alongside the technology to deliver 1-to-1. Testing, segmentation, recommendations, analytics and reporting, site search and wider merchandising capabilities like Social Proof all play a part in an effective personalization strategy. Separate systems mean disparate experiences for customers.

## 2 Don't let data get in the way of ROI from personalization

Look for a solution that incorporates lots of out-of-the-box targets with the openness to feed in your own first or third-party data when the time is right. This way, you can start to see ROI from personalization ASAP and connect things like your CRM / CDP when you're ready to take personalization to the next level.

## 3 Prioritize accessibility and ease-of-use

Ease-of-use and ease-of-understanding is key here. You need a powerful machine at the core but if the platform isn't intuitive users won't adopt it, and you'll need more resources to fully utilize the capabilities. Visibility is also important when thinking about adoption and therefore fast ROI. Stay away from solutions that are black-box and look for solutions that show why decisions have been made, and for what audiences. Not only does this take away the fear factor of turning personalization decisions over to a machine, but these insights are also invaluable in iterating experiences and feeding into wider business initiatives.



#### 4 Ensure the core machine learning technology is robust and well-used

Without machine learning, 1-to-1 personalization just isn't possible. Even the best and biggest team of marketers can't put the most compelling experience in front of every could-be customer at the most optimal time across all touchpoints. For this reason, you need a decisioning engine that can be relied upon to make accurate decisions and be deployed across the applications, frameworks, or customer touchpoints of your choosing. Ask for case studies / customer stories.

#### 5 Don't overlook the importance of having access to expertise alongside a platform

A solution is more than just a platform, it is the experts that come along with it. The realm of testing and experimentation enjoys lots of experienced agencies and services teams many of which have many years under their belts in helping digital teams in driving successful testing programs, but personalization is less fortunate, with few people / businesses having more than 5-10 years' experience.

With an area like 1-to-1 personalization, the backing of expertise with experience helping other businesses to reach similar goals is invaluable.

Expertise helps businesses see faster value from a solution, but also helps with more strategic planning like governance and team structure. 1-to-1 personalization transcends 'traditional' lines between digital and physical operations or teams and as such, businesses need to be looking to set up teams and technologies that facilitate those cross-channel customer journeys. This is where an experienced personalization expert can help to advise based on exposure to similar situations.

#### 6 Look for a solution you can grow with, balancing quick wins with the bigger strategic goal of 1-to-1 personalization

COVID accelerated digital growth by 2 years in 2 months according to McKinsey. With that growth came a more diverse customer base, heightened expectations, and increased competition. In response, digital teams were dealt steep rises in revenue targets alongside the task of making 1-to-1 personalization a reality.

To juggle both priorities, businesses need a solution that they can grow with, delivering ROI today, while setting up for personalization tomorrow. To be more specific, you should look for a platform that can be deployed in stages and encompasses the tools to grab that low hanging fruit (testing, social proof, badging etc.), then more targeted experiences and product recommendations, and then 1-to-1 omnichannel personalization.

This strategy sees so many businesses succeed as you're not just bringing in revenue faster, but you're also getting buy-in from leadership or from the board which is needed to deliver true omnichannel 1-to-1 experiences.



The facts are this: Ecommerce personalization is no longer considered a tactic reserved for the most cutting-edge, innovative, or forward-thinking companies. It's a baseline. Customers expect it, and they'll quickly bounce to a competitor if you can't deliver. Despite barriers to adoption, there's only one path forward for successful ecommerce retailers: establish a clear goal to deliver 1-to-1 personalized experiences for your customers — and set a plan to achieve it.

That's where Kibo can help. If you're unsure where to begin, the assessment included above is a good place to start. No matter where you stand in your personalization journey, Kibo can help you delight your customers with impactful individualized experiences, resulting in increased engagement, conversions, and lifetime value. ■



Kibo is the only extensible, unified commerce platform that delivers personalized, omnichannel experiences. The platform unifies AI-driven personalization from industry leaders Monetate and Certona, omnichannel commerce for B2C and B2B models, enterprise-grade order management, and customer data-enhanced point of sale. Global clients like Office Depot, Taco Bell, and Patagonia rely on Kibo's API-first, microservices-based architecture to support a wide range of strategies, including headless commerce, that meet high growth goals and deliver on customer expectations at a manageable cost of ownership.

To learn more, visit [kibocommerce.com](https://kibocommerce.com)

