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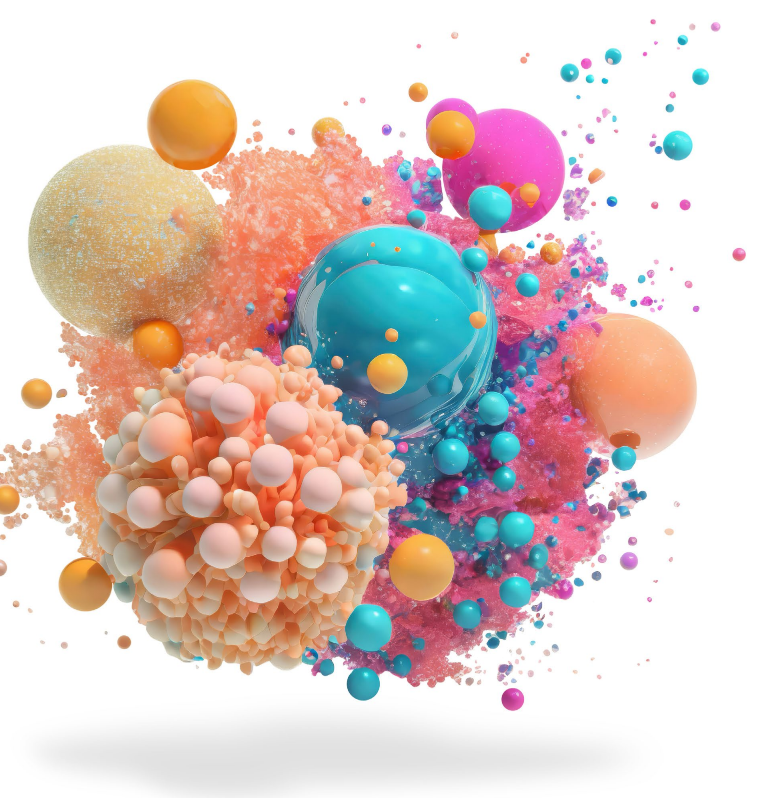


To *get* more from personalization, *give* more value to customers

New research shows how to unlock the benefits of personalization for both brands and consumers

June 2024

Nearly every organization engaging with consumers recognizes the importance of personalized experience. In 2022, Deloitte Digital research revealed just *how* important—and what business-to-consumer (B2C) brands were doing to seize its potential. Fast forward to today, and our latest research underscores that personalization has become even more critical—with a 20% increase in consumers emphasizing its significance and 50% more brands seeing it as a central pillar of their customer strategies. *(See* About the research *below.)*

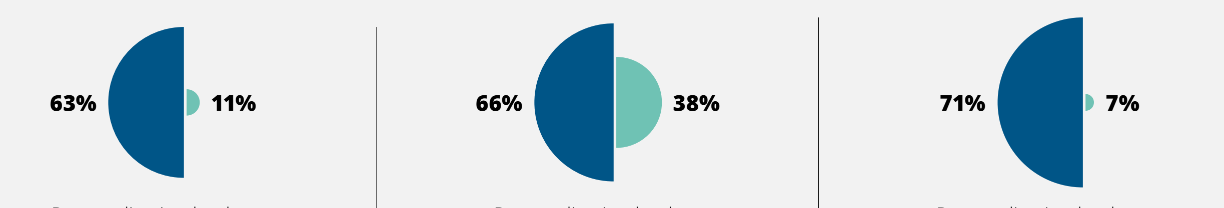
The brands fully embracing personalization are each realizing strong value for their business. But here's the kicker: They're not stopping there.

They're equally committed to *enhancing value for their customers*. They understand that customers want more from personalization than just seeing their name in an email. Customers want practical savings and features that reflect their interests and past interactions. By zeroing in on what truly matters to their customers, prioritizing the most relevant channels and leveraging impactful technologies and creative resources, these brands are achieving outsized results.

Personalization drives performance

Our research found that brands with the most advanced personalization capabilities (we call them *personalization leaders*) are deploying customer-centric strategies and investments in ways that pay off. While brands of all capability levels credited personalization for improvements in key customer metrics, personalization leaders reported the strongest improvements, which helped fuel their more robust revenue growth.

COMPARED TO BRANDS WITH LESS MATURE CAPABILITIES:

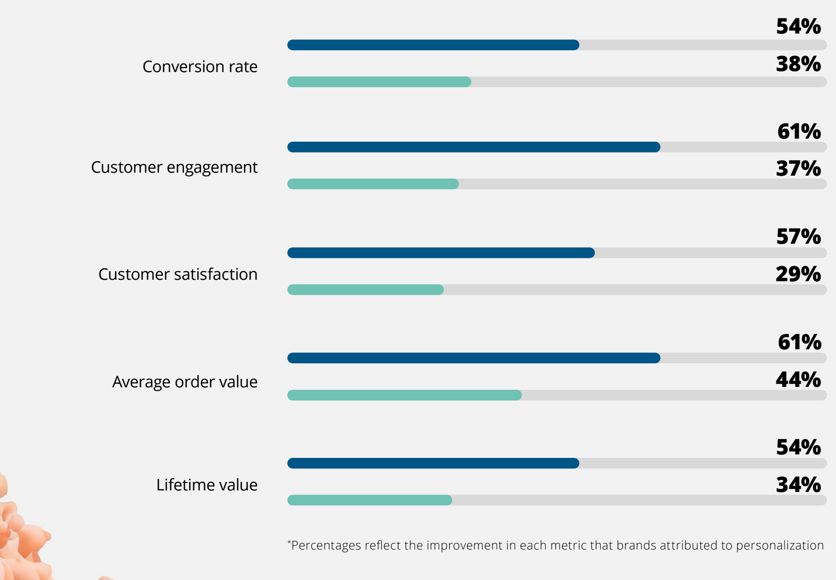


Personalization leaders are nearly 6X as likely to call personalization core to their **customer strategy**.

Personalization leaders allocate more of their total **marketing budget** to personalization.

Personalization leaders are 10x as likely to have **extensive insight** into customer preferences.

STRONGER / IMPROVED METRICS* ACROSS THE CUSTOMER JOURNEY



*Percentages reflect the improvement in each metric that brands attributed to personalization

10%

Personalization leaders **exceeded their 2023 revenue goals** by nearly 10%, compared to just 1.7% for less mature brands.

HERE'S HOW TO DRIVE BUSINESS VALUE THROUGH PERSONALIZATION

Give customers value

Surveyed consumers expressed they don't just want to be "known" by brands—they crave tangible benefits in their wallets. In return they're willing to open those wallets, spending 37% more with brands that deliver resonant personalized experiences.

AMONG CONSUMERS:

78% want personalized insights that **save them money**.

84% said **special discount offers or bundles** had a medium or high influence on their purchase decisions.

Consumers' desire for practical personalization extends to the features they find most helpful when navigating a website or mobile app.

THE TOP-THREE PERSONALIZED FEATURES THEY WANT ARE:

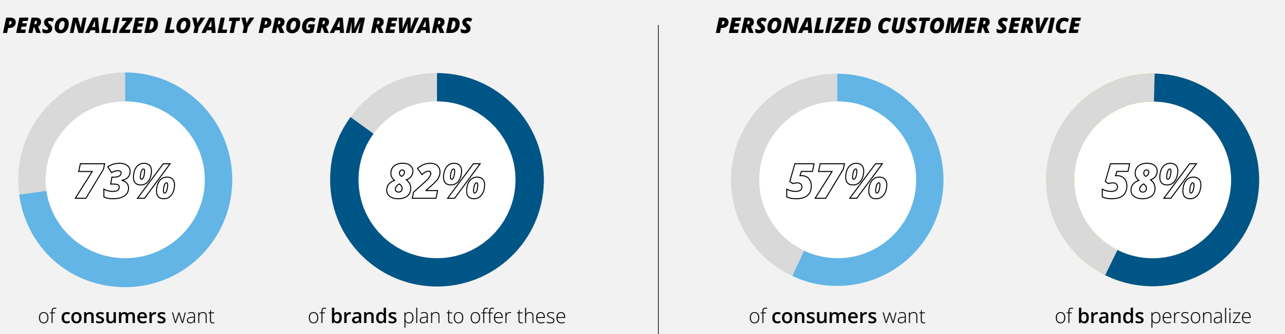
#1 **Recommendations** based on prior purchases.

#2 Seamless ways to add to a **favorites or wish list**.

#3 Easy **"purchase again"** options.

Choose relevant channels

Consumers increasingly want personalized experiences through channels and touch points where they derive time- or money-saving value, such as customer service interactions and loyalty program rewards. To keep pace with evolving preferences, brands need to continually test different channels and touch points, measure customers' responses and adapt as they go.



PERSONALIZED LOYALTY PROGRAM REWARDS

73% of **consumers** want personalized loyalty program rewards.

82% of **brands** plan to offer these rewards by end of 2024—a near two-fold increase from the 45% of brands that currently do so.

PERSONALIZED CUSTOMER SERVICE

57% of **consumers** want personalized service through a mobile app.

58% of **brands** personalize customer service interactions.

Harness powerful technologies and resources

Our research shed light on key technology and capability gaps that many brands need to address to unlock more value from their personalization efforts.

DATA PLATFORMS & TOOLS

Customer data platforms (CDP) are considered the gold standard for **collecting and activating first-party customer data**. Without one, the ability to personalize at scale is limited. And even as third-party browser cookies get phased out, second- and third-party data remain important to personalization—so long as it's compliant with the letter and spirit of regulations.

- 55% of surveyed brands are using a CDP for first-party data management.
- 36% are currently investing in data clean rooms to leverage and activate additional sources of data.

DECISIONING CAPABILITIES

To decide what content and offers to share with customers, as well as when and where to share them, brands need **robust analytics and modeling capabilities**.

- 54% of brands have analytics, testing and measurement capabilities ...
- but even among those with capabilities, nearly half describe them as insufficient.

CONTENT & DESIGN SYSTEMS

Unlike traditional creative, personalized content and design needs to be developed in **components that can be reused and recombined** based on customer- or channel-specific needs.

- 42% of brands have a content management system ...
- but 1 in 3 brands said creative / design is a significant capability gap.

GENERATIVE AI (GENAI)

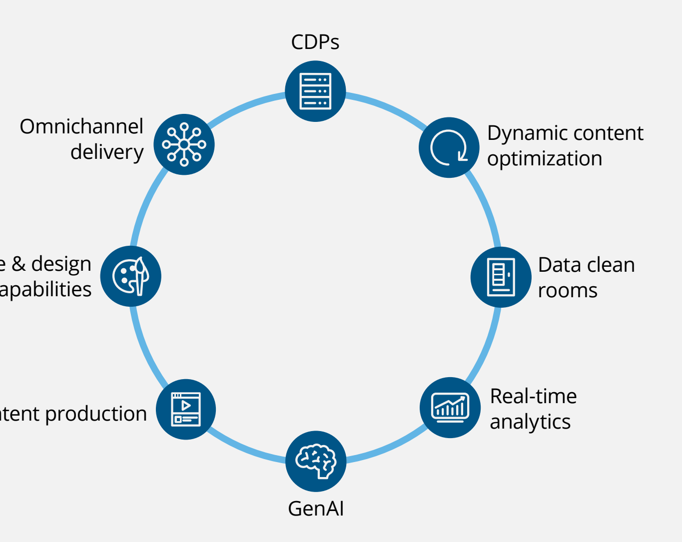
This technology is a promising way to drive **higher quality and higher volumes** of content and design—and our research shows it's becoming a top priority for brands.

- 34% of brands have already invested in GenAI to support personalization, and another 51% cited plans for GenAI spending by the end of 2024.

Follow the leaders

Personalization leaders were more likely than other brands to be **deploying and investing in critical tools and capabilities** that enable them to understand customers' needs and appropriately personalize.

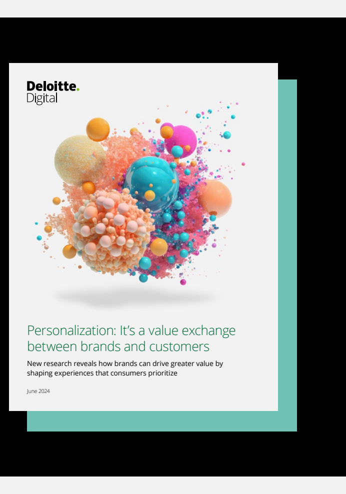
WITH INVESTMENTS IN ...



... PERSONALIZATION LEADERS ARE:

69% more likely to provide personalized content to customers.

25% more likely to personalize based on customer channel preferences.



The exact process for driving the strongest value from personalization will look quite different for every organization, depending on brand identity and customer needs. While there's no standard blueprint to follow, our full research report can help your brand understand where its greatest opportunities may lie.

Download report >

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ABOUT THE RESEARCH

In early 2024, we surveyed 500 business executives responsible for personalizing the customer experience at US business-to-consumer companies, plus 1,000 adult consumers who had interacted with a brand online or through an app in recent months. Building on this research, we developed a framework to define a company's personalization maturity based on four categories: degree of personalization, data capabilities, delivery and organizational structure.

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