



GUIDE

# Personalization: The ultimate buyer's guide

## Contents

|            |                                                                                                 |
|------------|-------------------------------------------------------------------------------------------------|
| <b>p3</b>  | <b>The intro</b>                                                                                |
| <b>p4</b>  | <b>How Optimizely thinks about personalization</b>                                              |
| <b>p6</b>  | <b>Importance in today's digital landscape</b>                                                  |
| <b>p7</b>  | <b>Benefits of personalization</b>                                                              |
| <b>p9</b>  | <b>Understanding the personalization ecosystem</b>                                              |
| <b>p10</b> | <b>What to look for in a personalization platform<br/>(and why Optimizely IS that platform)</b> |
| <b>p20</b> | <b>Case studies and success stories</b>                                                         |
| <b>p23</b> | <b>Common personalization challenges and<br/>how to overcome them</b>                           |
| <b>p25</b> | <b>Conclusion</b>                                                                               |

## The intro

If you're reading this, it means you're either considering investing in personalization or you're evaluating different solutions. Smart move!

Consumers now expect a personalized experience before they even meet your brand, whether that's on your website, through an email message, or on social media. Providing a one-size-fits-all approach is no longer a viable digital marketing approach; it's all about creating a unique experience tailored to individual customer needs.

How do we know this? Well, we ran over 127,000 experiments that proved personalization generates a 41% higher impact compared to general experiences. And if you're new to Optimizely, experimentation is... kind of our thing.

When you target individual experiences, not broad audiences, you're going to improve the relevancy of what you're offering. This is achieved by surfacing relevant content to web/app users at the exact right moment, leading to improved user engagement.



## 01

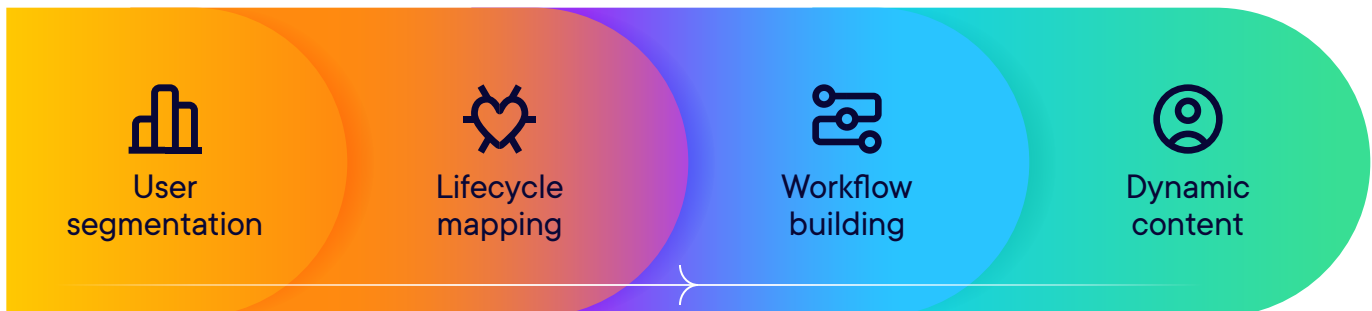
# How Optimizely thinks about personalization

As it turns out, [defining personalization is challenging enough](#).

When we conducted a survey of over 1,000 leaders in marketing, ecommerce, and IT, we discovered that only 26% had a unified definition of personalization within their own organizations.

**So, how do we think about personalization?**

We like to break it down into four pillars.



- 1. User segmentation** based on individual customer data
- 2. Lifecycle mapping** builds dynamic customer profiles that track the customer lifecycle through activation, nurturing, and re-activation
- 3. Workflow building** that enables the design of personalized user experiences
- 4. Dynamic content** that is tailored for each consumer

Each of these pillars represents an important step in the process of personalization. Each pillar builds on the previous activity and leads to the next stage, culminating in the dynamic content that creates a personalized consumer experience.

Another way you can think about personalization is through implementation.

**Here are the 2 primary ways organizations typically structure their personalization strategy:**

**01 Rule-based personalization:** Rule-based personalization involves using predefined criteria, like demographics or past behaviors, to tailor content or experiences for users. It relies on set rules or conditions to determine what each user sees or experiences.

**02 Machine learning-driven personalization:** Machine learning-driven personalization uses algorithms and data analysis to dynamically adapt content or experiences based on real-time user behavior. It continuously learns from user interactions to refine and optimize the personalized experience.

Here, the rules aren't always designed. Sometimes they are defined by the practitioner, sometimes by ML or AI. For example, Google's algorithm understands what location you're in and shows you the local news, places to visit, etc., based on your interests.



## 02

## Importance in today's digital landscape

With over [75% of consumers](#) more likely to consider buying products from brands that personalize, marketing personalization strategies have never been more important for fostering deeper customer connections in an increasingly fragmented online ecosystem. Here's why:



### Enhanced customer experience

Personalization creates a more satisfying and seamless experience for users, making them feel valued and understood.



### Higher engagement and conversion rates

By delivering content and offers that are specifically relevant to each user, businesses can significantly boost engagement, click-through rates, and ultimately, conversions.



### Improved customer retention

Personalized experiences encourage repeat visits and purchases, fostering long-term relationships with customers.



### Efficient marketing spend

Personalization allows businesses to focus their marketing efforts on the most promising leads, optimizing budget use and increasing ROI.



### Competitive advantage

In a market where consumers are being marketed to every second of every day, personalization helps brands stand out by offering unique, relevant experiences.

## 03

## Benefits of personalization

Let's be blunt; businesses who personalize will win out against businesses who don't. Here are a few reasons why:

### Enhanced customer experience

#### + **Relevance**

Personalization ensures that customers receive content, offers, and recommendations that they actually want to see.

#### + **Convenience**

Tailored user journeys reduce friction and steer customers to desired outcomes much quicker.

#### + **Emotional connection**

Personalized experiences foster a sense of connection and trust between the brand and the customers.

### Increased engagement

#### + **Targeted content**

Customers are more likely to engage with content that speaks directly to their interests, whether it's clicking on an email, interacting with a social media post, or spending more time on a website.

#### + **Dynamic interactions**

Personalization enables real-time adjustments based on current user behaviors, creating dynamic experiences that keep users engaged and encourage them to explore more.

#### + **Enhanced user satisfaction**

Relevant content + tailored dynamic experiences + frictionless user journey = happy customers.



## Driven conversions

### + Tailored offers

Personalized offers and promotions are more likely to resonate with customers, increasing the likelihood of conversion.

Whether it's a product recommendation based on past purchases or a special discount for a loyal customer, these tailored incentives can significantly boost sales.

### + Reduced cart abandonment

Personalization reduces abandoned cart rates by offering timely reminders, tailored incentives, and personalized follow-ups that encourage customers to complete their purchases.

### + Data-driven decision making

By leveraging customer data, personalization helps businesses make informed decisions about product placement, pricing, and marketing strategies, leading to more effective campaigns and higher conversion rates.



## 04

# Understanding the personalization ecosystem



## Data collection

### Overview

Personalization begins with gathering data from users. This can include first-party data (collected directly from user interactions), second-party data (collected from partners), or third-party data (purchased from external sources).

### Methods

Common methods of data collection include cookies, user profiles, surveys, transaction histories, and CRM systems. This information is essential to understand user preferences, behaviors, and demographics.

### Importance

Without accurate data, personalization cannot function effectively. Data fuels the algorithms and decision-making processes that tailor experiences to each user.



## Segmentation

### Overview

Segmentation involves categorizing users into different groups based on shared characteristics such as behaviors, demographics, or buying intent. It helps businesses deliver personalized content to relevant user groups.

### Methods

Segmentation can be static (such as grouping by age or location) or dynamic (based on real-time behaviors like recent purchases or site visits).

### Importance

Segmentation is crucial because it allows businesses to target specific audience segments with tailored messaging, leading to more efficient and effective personalization strategies.



## Content delivery systems

### Overview

Once data is collected and users are segmented, content delivery systems are responsible for serving the personalized experiences. These systems, such as CMSs (Content Management Systems) or marketing automation tools, deliver tailored content at the right time and place.

### Methods

Content delivery can be via websites, email marketing, in-app messaging, push notifications, or personalized ads. It can be automated, dynamic, and personalized based on user profiles and behavior.

### Importance

A robust content delivery system ensures that personalized messages are delivered seamlessly and at the most impactful moment, ensuring higher engagement and retention rates.

## 05

## What to look for in a personalization platform (and why Optimizely IS that platform)

When choosing a personalization platform, several key factors must be carefully evaluated to ensure it meets the evolving needs of your business.

- Ability to **integrate smoothly** with your existing technology infrastructure, including CMS and CRM systems, to optimize data utilization and streamline implementation.
- **Scalability potential** alongside your business as your audience and data grow, allowing for more complex personalization efforts without compromising performance.
- **AI and machine learning capabilities**, enabling it to make real-time adjustments based on user behavior, which enhances accuracy in recommendations.
- Additionally, with privacy concerns rising, the **ability to utilize first-party data effectively** is critical for personalization that complies with evolving regulations.
- The platform should offer **robust testing capabilities**, such as A/B testing, to refine strategies continuously.
- Furthermore, comprehensive **analytics and reporting** are necessary to evaluate the effectiveness of your personalization campaigns and ensure that ROI is clear.
- A focus on **user experience (UX)** is also vital. The platform should allow you to deliver seamless, personalized experiences in real-time that meet customer expectations.



Let's dive into some more specific features and how Optimizely is best equipped to guide you towards a winning personalization strategy.



## STEP 1 Data integration



### Overview

Your personalization platform should seamlessly integrate with your existing systems, including CDP (Customer Data Platform), CRMs (Customer Relationship Management), CMS (Content Management System), analytics tools, and other marketing technologies. [Read more here.](#)



### Why it matters

Personalization requires a constant flow of data from various sources, such as customer interactions, real-time behavior, purchase history, and demographic information. Integrating Optimizely with your CRM allows for a 360-degree view of the customer, ensuring that all touchpoints — email, web, in-app, and more — are informed by accurate, up-to-date data.



### Example

Optimizely's integration with CMS enables real-time adjustments to website content based on user behavior, while a connection with analytics tools can track personalization performance and optimize strategies based on insights.



### Key benefits

**Centralized data management:** Avoid silos and ensure data consistency across all platforms.

**Actionable insights:** Leverage data from CRM and analytics tools to create more accurate and relevant personalization campaigns.

**Scalability:** As your business grows, seamless integration with different systems ensures that the personalization experience remains unified and scalable.



## STEP 2 Real-time capabilities



### Overview

The ability to process data and deliver personalized experiences in real-time is a game-changer for businesses that want to stay competitive. Customers expect timely, relevant interactions, and Optimizely's platform needs to meet those expectations by offering real-time capabilities. [Read more here.](#)



### Why it matters

Whether a user is browsing your website, making a purchase, or engaging with an email campaign, real-time data processing ensures that the content they receive is up-to-date and contextually relevant. Delayed responses can lead to missed opportunities, reduced engagement, and a disconnect between user intent and the experience offered.



### Example

Optimizely's real-time capabilities allow it to adjust recommendations or promotions on an e-commerce site based on live interactions, such as viewing specific products, without the user needing to refresh the page or return later.

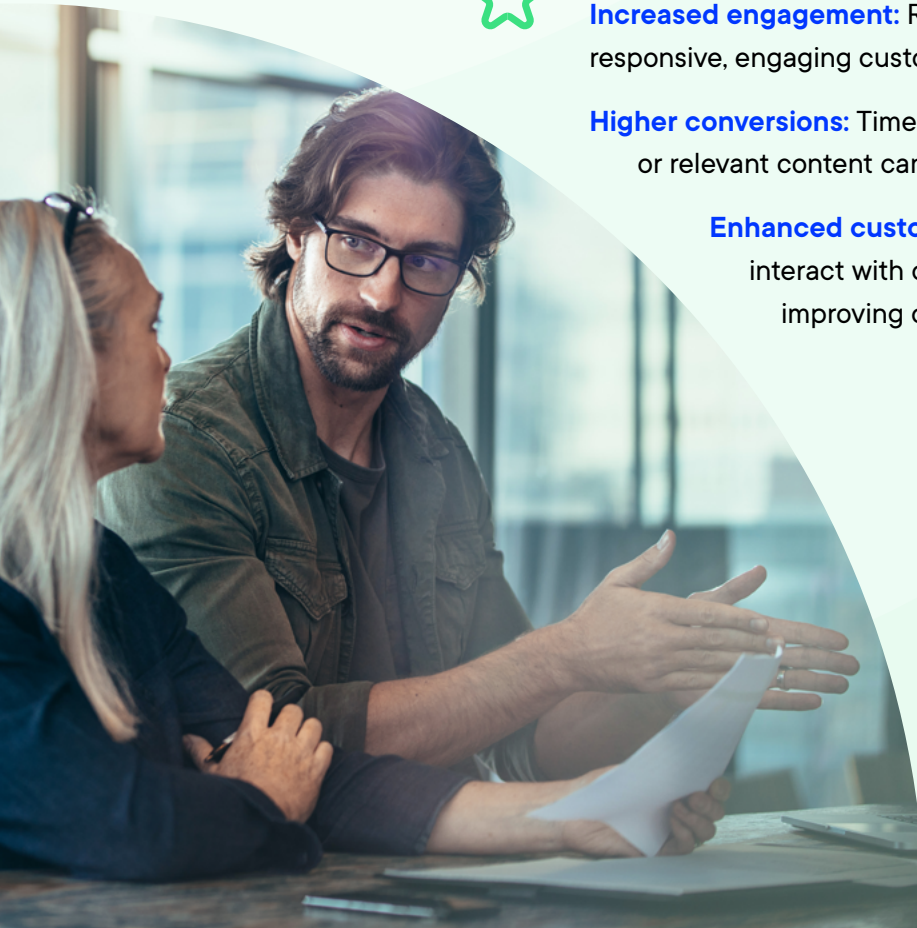


### Key benefits

**Increased engagement:** Real-time personalization creates a more responsive, engaging customer experience.

**Higher conversions:** Timely product recommendations, special offers, or relevant content can significantly boost conversion rates.

**Enhanced customer experience:** Users are more likely to interact with content that feels personal and immediate, improving overall satisfaction and loyalty.



## STEP 3 User-friendly interface



### Overview

The usability of Optimizely's personalization platform is just as important as its technical capabilities. A user-friendly interface that is intuitive and easy to manage can make the difference between a successful personalization strategy and one that falters due to complexity [Read more here](#).



### Why it matters

Personalization platforms are often used by marketers, product managers, and other non-technical stakeholders. A complex, hard-to-use interface can slow down execution, create bottlenecks, and discourage teams from fully utilizing the platform's capabilities. On the other hand, an intuitive interface reduces the learning curve and allows teams to focus on strategy and execution rather than wrestling with the technology.



### Example

Optimizely's drag-and-drop features, pre-built templates, and visual analytics dashboards enable marketing teams to quickly set up campaigns, analyze results, and make adjustments without needing technical expertise.



### Key benefits

**Faster implementation:** Teams can launch and iterate on personalization campaigns more quickly and efficiently.

**Lower dependency on IT:** A user-friendly interface minimizes the need for technical support, allowing marketers and product managers to make changes on their own.

**Better optimization:** With a more intuitive platform, teams can spend more time analyzing data, testing campaigns, and optimizing personalization efforts, leading to better performance over time.

## STEP 4 Scalability



### Overview

Scalability is crucial for a personalization platform to manage growing data and user activity. Optimizely's cloud-based infrastructure is built to handle increased demands, ensuring efficient performance even as your business expands.



### Why it matters

As businesses expand, their personalization needs become more complex, often requiring the handling of multiple touchpoints, larger customer segments, and more intricate workflows. A scalable platform should be able to grow with these demands, accommodating higher traffic, more personalized campaigns, and a larger volume of data.



### Example

Optimizely's platform is designed to handle personalization at scale, ensuring businesses can deliver consistent and personalized experiences to thousands or even millions of users. Features like dynamic content rendering and real-time segmentation can adapt to high-traffic environments without lagging.

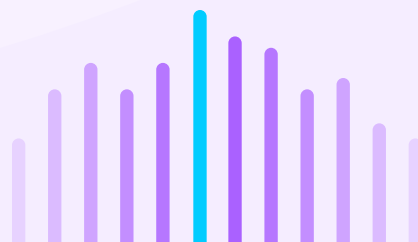


### Key benefits

**Future-proofing:** A scalable solution ensures that as your business grows, the platform continues to support increased complexity and data demands.

**Performance stability:** Even during peak times, the platform should maintain fast and efficient performance.

**Flexible architecture:** Platforms like Optimizely allow integration with a variety of APIs and third-party systems, giving businesses the flexibility to scale their personalization efforts with ease.



**STEP 5** **Speed****Overview**

Personalization should be done without affecting the customer experience. Client-side personalization can cause flickering and cause issues with website page load times. Optimizely solves this by running personalization on the edge, in combination with an optimized code snippet, removing any issues causing a bad experience.

**Why it matters**

Not only does a slow website convert lower, it will also impact your SEO site ranking negatively. Site performance is key for a personalized experience that delights.

**Example**

Optimizely's Edge delivery capabilities provide you the possibilities to run personalization campaigns on the edge, faster, and with better performance.

**Key benefits**

**No flickering:** No flickering causing bad experiences for the visitors.

**Better site performance:** Faster load times and better site performance.

**Enhanced SEO ranking:** Better ranking on Google, providing more organic traffic.



## STEP 6 Analytics



### Overview

Understanding how personalization campaigns are performing and what value personalization programs deliver for the business is key to keeping investments. Optimizely combines the power of experiments, data warehouse analytics, and smart reporting to provide the true value of personalization.



### Why it matters

To make sure you are investing in the right tactics, you need to be able to both measure and report on the outcome of your personalization program.



### Example

Optimizely provides personalization holdback capabilities in combination with a powerful stats engine, which provide accurate analysis of your campaign performance. In combination with native data warehouse integrations, you can go beyond first or second metrics to understand the true value of your personalization efforts.



### Key benefits

**Holdback:** Automated holdback to always test if the personalized variation is delivering value.

**Reporting:** Powerful reporting capabilities to provide insights on your campaigns.

**Native data warehouse integration:** Analyze your campaign outcomes in BigQuery or similar for deep analytics and full-funnel reporting.



## STEP 7 Collaboration



### Overview

Launching multiple personalization campaigns can result in a disjointed customer experience, making it essential to enhance efficiency. To create a personalization engine, you need to break corporate silos and find structured ways of delivering both content and campaigns at a higher velocity with better overview. Optimizely delivers a purpose-built end-to-end collaboration tool that handles everything from ideation to delivery of campaigns.



### Why it matters

To increase the velocity of campaigns, provide a better overview, and speed up the campaign process, modern businesses need to move from spreadsheet planning to digital-native solutions that will help increase the overall effectiveness of the organization.



### Example

Optimizely Experiment Collaboration allows teams to work together seamlessly on experiments, improving communication and transparency throughout the testing process. It helps streamline workflows by centralizing data, insights, and feedback, leading to faster and more informed decision-making.



### Key benefits

**Ideation and planning:** Order intake form and scoring of ideas for new campaigns.

**Creation:** One tool that streamline the creation process of campaigns.

**Project planning:** One workspace with calendar overview of all campaigns and milestones.



## STEP 8 **Dynamic traffic allocation**



### **Overview**

Multi-armed bandits are important because they enable dynamic traffic allocation, allowing resources to be distributed adaptively based on user-specific contexts and feedback. By leveraging this dynamic approach, they balance exploration and exploitation, optimizing outcomes like conversions or engagement in real time. This makes them especially valuable in environments such as personalized recommendations where the ability to adjust traffic allocation based on changing contexts maximizes overall performance.



### **Why it matters**

It allows businesses to make real-time decisions that maximize key outcomes, such as engagement or revenue, by tailoring actions to the specific context of each user interaction, continuously improving results by adapting to changing user behaviors.



### **Example**

Optimizely helps companies by using dynamic traffic allocation to automatically direct users toward the highest-performing variations in real time, optimizing outcomes like conversions and engagement. This adaptive approach ensures that businesses continuously improve their digital experiences by adjusting traffic based on evolving user behavior and feedback.



### **Key benefits**

**Real-time optimization:** Dynamic traffic allocation allows for continuous adjustments based on current performance, leading to faster and more accurate improvements in user outcomes.

**Improved resource efficiency:** By dynamically distributing traffic to the best-performing variations, businesses can maximize conversions or engagement without wasting resources on ineffective options.

**Personalized user experience:** It tailors the experience for each user by adapting to their behavior and preferences, enhancing overall satisfaction and increasing the likelihood of desired actions.

## STEP 9 Security and compliance



### Overview

Ensuring compliance with data protection laws like GDPR and CCPA is vital. Optimizely integrates robust security and privacy features, including encryption and data anonymization, to safeguard user data and minimize compliance risks. [Read more here.](#)



### Why it matters

Non-compliance with data protection regulations can result in hefty fines and damage to a company's reputation. A personalization platform that prioritizes security will protect customer data and ensure that your business operates within legal frameworks.



### Example

Optimizely ensures compliance with GDPR, CCPA, and other privacy laws by offering features like data anonymization, encryption, and detailed audit trails. The platform also includes tools for managing user consent and preferences, which are vital for maintaining transparency and trust with customers.



### Key benefits

**Reduced legal risk:** By adhering to privacy laws, businesses can avoid fines and legal issues

**Customer trust:** Customers are more likely to trust businesses that clearly handle data responsibly

**Data protection:** The platform should include strong security protocols such as encryption, anonymization of personally identifiable information (PII), and regular security audits

06

## Case studies and success stories

Look, we get it. We can go on and on and on about features, benefits, and innovations.

But perhaps it's better to see some actual examples of how our customers have leveraged our personalization solution to achieve better-than-expected results for themselves.

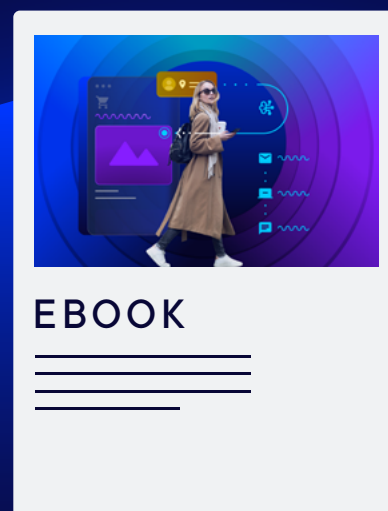
In fact, we have so many examples that we had to put together a book. A BIG book. We call it the [Big Book of Personalization](#).

It features 10 real-world examples that demonstrate exactly how companies are successfully harnessing the power of personalization to achieve big, big results.

Highlighted on the next page are few of the customer cases.

[BIG BOOK OF PERSONALIZATION](#)

**Discover the true power of  
personalized digital experiences**





### The key takeaway



[Calendly](#) has gone way beyond improving key business metrics. By transforming its approach to product development and user engagement, they are setting the stage for continued growth and innovation.



Every personalization campaign we run through Optimizely has resulted in significant improvements in conversion rate. And we have much higher levels of engagement, because we have an experience that's relevant to what you're doing and the stage you're at as a customer."

**Darren Chait**

Head of Growth Marketing / Calendly

## News UK

### What were the challenges?

- Lighting the touchpaper under subscription rates
- Engaging users more deeply
- Making the most of personalization
- Establishing a culture of experimentation

→ [News UK](#)

## Big results

+ **39%**

**increase in subscriptions** through optimized checkout and paywall strategies

+ **Accelerated development lifecycle** for new features and experiments

+ **Better user engagement** through personalized content recommendations and experiences

+ **A culture of experimentation** now exists across the organization



### What were the challenges?



[[Video](#)] Customers were ordering multiple sizes of the same shoe model, which led to:

- High costs of processing returns
- Reduced inventory
- Negative customer experience

→ [Brooks Running](#)

## ZOOPLA

### What were the challenges?

- Creating the personalized brand experiences customers expect
- Keeping hold of more customers for longer
- Reducing customer acquisition costs

### How did Zoopla solve them?



[Zoopla](#) created a new blueprint for their personalization strategy focusing on four key pillars.

## Big results

+ **80%**

fewer returns for the targeted segment

+ **2%**

increase in conversion rate

+ **88%**

of customers liked the proactive advice

+ Decreased average order value (AOV) BUT increased add-on rate for additional products



Product managers and designers can experiment using Optimizely and Contentsquare without needing support from data analysts. They're able to self-serve; if they have an idea, they can test it themselves."

**Veronica Saha**  
Head of Analytics / Zoopla

## 07

# Common personalization challenges and how to overcome them

When implementing personalization strategies, businesses often encounter several challenges:

## 1. Data issues

A lack of reliable, actionable data can limit personalization effectiveness. Without accurate data, personalization efforts may lead to irrelevant or poorly timed content, frustrating users. Additionally, some organizations lack sufficient first-party data as reliance on third-party cookies diminishes.

## 2. Scaling difficulties

Scaling personalization across multiple channels while maintaining a consistent experience can be tricky. Many businesses find it hard to activate real-time personalization effectively, which hinders their ability to engage customers promptly.

## 3. Technological complexity

Maintaining personalization tools can be labor-intensive, especially when these tools are difficult to integrate or require substantial manual effort. Additionally, siloed workflows within organizations can complicate the seamless deployment of personalized content.

## 4. Measurement of success

Many businesses struggle with measuring the ROI of their personalization efforts. There's often no unified metric to track the effectiveness of personalized campaigns, leading to uncertainty in evaluating their impact.



## Solutions and tips

### 1. Invest in AI and automation

Leveraging AI-driven personalization tools can help streamline content delivery, reduce manual tasks, and improve scalability. AI also aids in real-time adjustments based on customer behavior, enhancing personalization accuracy.

### 2. Focus on first-party data

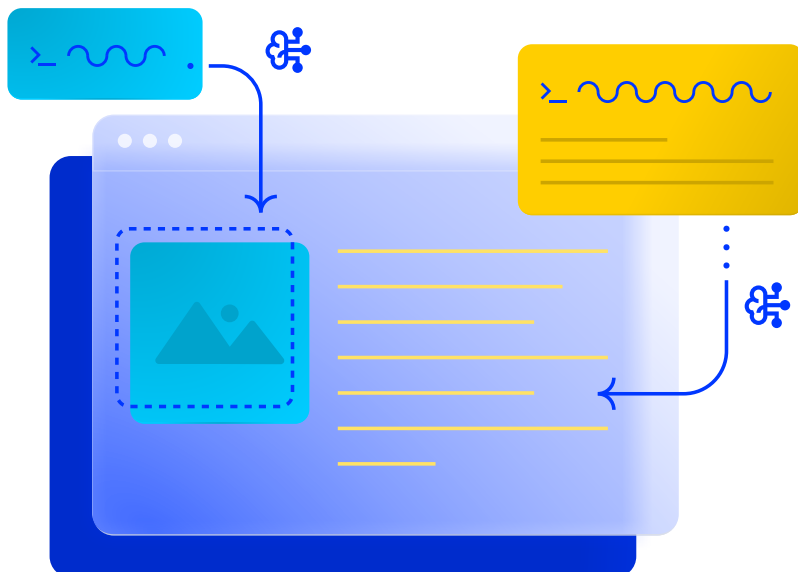
As third-party cookies may be phased out in the future, organizations should prioritize building robust first-party data systems. This could involve customer self-segmentation strategies or creating more engaging touchpoints that encourage users to share their preferences directly.

### 3. Create a data-driven culture

Encourage cross-department collaboration and ensure that personalization tools are user-friendly for non-technical teams. Integrating analytics across marketing, sales, and IT departments ensures that personalization efforts are cohesive and can be measured effectively.

### 4. Test and experiment

Regular experimentation allows for refining personalization efforts. By testing different strategies with A/B tests and analyzing their impact, companies can continuously optimize their approaches.



08

# Conclusion

Personalization is truly invaluable. Selecting the right platform and implementing a thoughtful personalization strategy can ignite a powerful cycle of enhanced customer experiences and loyalty.

Personalization provides the insights necessary for informed decision-making, resulting in deeper customer engagement, increased conversions, and enriched user experiences. The best part? You can achieve these outcomes with significantly reduced risk, as you'll have evidence that the personalized experiences resonate with your audience.

In fact...

(and we're not one to shy away from a bit of self-promotion...)

...we were recently named a Leader in the 2024 Gartner® Magic Quadrant™ for Digital Experience Platforms for the fifth consecutive year

Curious to learn more?

Let's schedule a personalized [demo](#).

## About Optimizely

Optimizely is on a mission to make the lives of marketers better with Optimizely One, the world's first operating system for marketing teams. Optimizely One combines industry-leading solutions across content management, content marketing, experimentation, commerce, and personalization, powering every stage of the marketing lifecycle through a single, AI-accelerated workflow. With the flexibility of a fully composable platform. Optimizely is proudly helping global brands like H&M, Salesforce, Zoom, and Toyota create content with speed, launch experiments with confidence, and deliver experiences of the highest quality.

Learn more at [optimizely.com](https://optimizely.com)

*Optimizely and Optimizely One are the trademarks of Optimizely North America Inc., and are registered (or registrations are pending) in the US, EU, UK and other countries. All third-party trademarks cited are the property of their respective owners and are used only for reference purposes.*