



• • •

Let's Get Personal: Enhancing the Customer Experience with Web Personalization

Sun Microsystems

• • •

On the Web, personalization is everywhere. But what exactly is personalization and why is it important to your organization? There are numerous definitions of personalization depending on your goals and audience, and each might be accurate for those particular circumstances. In her report for the Patricia Seybold Group titled *It's All About Me and You: How Personalization Can Build Better Customer Relationships*, Lynn Harvey defines personalization as “a me and you, relationship-building activity that’s focused on companies getting to recognize, understand, and ultimately serve their customers.”

There are many ways to personalize a website and an equal number of technologies that support these techniques. The key factor is that personalization, properly done, creates a one-to-one dialogue between you and your site’s visitors, whether those visitors are employees wanting to get information about their employer and its policies, consumers looking to make a purchase or learn more about a particular interest, or other partners at companies with which you do business.

Obviously, personalization issues and strategies can vary dramatically based on your audience, organization type, and site structure, but there are many issues that span industries and technologies. If you’re just getting started on your company’s personalization strategy, or are looking for ways to enhance your current personalization process, here are some things to consider.

Understand That Users Want Personalization

One of the first things to recognize is that most users really do want personalization, as long as it’s in what they feel is a secure environment. The “me” factor in personalization is very powerful. Being able to deliver content that directly relates to someone’s job, interests, business, geographic location, gender, or lifestyle is a critical step in creating the kind of one-to-one dialogue that comes from successful personalization.

A recent Personalization Consortium survey indicated that 73 percent of consumers prefer that a website remembers information about them. Of those, 62 percent actually dislike having to enter any personal information they already provided on a previous visit. Martha Rogers, partner in Peppers and Rogers Group and a co-founder of the Personalization Consortium, views this fact as a predictor of personalization’s future: “a key trend I see is the expectation of

personalization. Now that we've learned how efficient and effective it is, it will become more expected in the future."

This expectation emphasizes that not only do users want personalization, but it will become a requirement for success in the competitive online marketplace. "As the Web has evolved, the development of communities with personalized content has become a competitive necessity for attracting and retaining users," says Steve Herbert, senior product marketing manager at iPlanet (developer of personalized portal solutions).

Adds Steve Larsen, president and founder of the Personalization Summit, "businesses are no longer asking if they should do personalization, it's simply a matter of when and how."

Do Some Research

First, check out your competitors. Next, think about any site you visit that uses personalization, even if they're in a different industry. What works at these sites and what doesn't? Analyze from both a business perspective and a customer perspective.

In addition, most of the major research firms have at least one analyst devoting time to personalization issues. These research reports and analyses can give you a better look at the cutting-edge of the personalization process and its future trends. Some to check out include the Patricia Seybold Group, Jupiter Research, and Forrester Research. The Personalization Consortium, Personalization.com, and the quarterly publication 1to1® Personalization all provide articles and background information that can keep you informed about personalization trends and technologies. This type of research, and the brainstorming that follows it, can lead you beyond what may have been a rather narrow scope of what personalization is and how best to implement it at your company.

Consider Your Audience

Understanding your audience is critical to determining your personalization strategy. With B2C (business-to-consumer) sites, your goal is essentially to use personalization to gain a strategic marketing advantage, one that will hopefully convert visitors to loyal customers who would rather purchase from you than from someone else. With an employee intranet or portal, your goal isn't to prompt a purchase, but rather to inform, motivate, and create goodwill with another form of valuable commodity—your employees.

There are many levels and layers to personalization. At its most basic level, personalization can enable users to customize the way they view your site—its layout, colors, content, and even language. This is the most common type of personalization for a B2E (business-to-employee) site, where employees determine how to arrange the content of an employee portal or intranet, specify the news they want to read, and choose a city for local weather reports. Users can do this manually or site administrators can customize content based on role—for example,

managers could view management-only features or employees could view content that relates to their job function or geographic location.

B2C sites bring a whole new level of personalization opportunities and challenges. At first glance, it's obvious how personalization benefits an e-commerce site. Gathering detailed customer information and offering product recommendations based on this data can have a significant effect on profitability. But what are the benefits to visitors to these sites? There are many, in fact, including not having to re-enter information more than once and receiving product recommendations and targeted emails specific to their interests. The key here is the level of personalization. A promotional message sent to everyone who's ever registered at a music site would probably be considered "junk mail" by many recipients, but a visitor to the same site might see real value in viewing personalized product recommendations and reviews for the latest albums from their favorite artists.

B2B (business-to-business) personalization brings an additional set of challenges and opportunities. According to Martha Rogers, author of the upcoming book *One to One B2B*, "the key to B2B personalization is to understand that there are two levels of customer—the company itself and the individuals that make up that company, each having their own issues and expectations."

Take it One Step at a Time

The levels of personalization you may consider based on your target audience can also carry over to your personalization strategy. Personalization is an ongoing process, not a one-time project. Adopting a phased approach to personalization implementation can enhance its effectiveness and help you better measure your ROI.

Jupiter Research defines six levels of personalization you can deploy on your site. These are:

- Customization—personalizing the layout, language, and content of a site
- Registration—gathering personalized data by requesting or requiring visitors to register
- Demographic branching—using demographic data gathered by registration or other user input to personalize content
- Pattern matching—delivering personalized content based on matching the preferences of one site visitor to other visitors with similar tastes, derived from either information the visitor provided or observation of the visitor's online activity
- Situational—an enhanced form of pattern matching, personalizing based on predicting seasonal trends (such as suggesting holiday-related items regardless of a visitor's demonstrated preferences)
- Sensitive—detecting real-time preference changes and delivering personalization based on these sensitivities

One thing to consider, however, in setting a phased approach is that it's often more costly to retrofit a non-personalized site than it is to design one from scratch. So even if you don't

implement all your personalization strategies at once, it makes sense to consider them in your long-range plans from the start.

Understand the Technologies

Many different technologies drive the focus of individual personalization products. According to a study conducted by Jupiter Research, the dominant technologies fall into three overall categories:

- Rules-based—dynamically generating personalized content based on demographic information
- Collaborative filtering—personalizing content based on an analysis of one site visitor's preferences and actions as compared to other site visitors with similar preferences and actions, enabling a pattern matching personalization strategy
- Neural networks—using statistical probability algorithms to deliver personalization based on an analysis of variables such as a visitor's actions

Numerous personalization products currently exist with many more in development, each focusing on a specific aspect of personalization and using a specific type of technology. Major vendors include Blaze, Macromedia, BroadVision, E.piphany, Vignette, Open Market, Net Perceptions, NetGenesis, and Accrue among others. Portal solutions also offer integrated personalization options, which can be quite sophisticated in some cases. As an example, the iPlanet Portal Server offers an Intelligent Communications Platform with smart services, enabling quick access to relevant information based on who you are, where you are, and what your interests are. "The end user is transparent to the complexities behind securely accessing personalized information from any device," says iPlanet senior product marketing manager Esther Paek.

Before analyzing specific vendors and products, be sure you have a clear strategy in place so that you can accurately determine how each product meets your own personalization needs. In many cases, you may already have the basic technical framework for your site or portal in place, which will drive some of your technology-based personalization decisions. But you can also extend the personalization capabilities of what you already have with complimentary solutions and that's where a good understanding of personalization technologies and products is critical. For example, users of the iPlanet Portal Server can take that product's own personalization features and extend them with sophisticated personalization offerings of companies such as Blaze, Vignette, Open Market, Net Perceptions, and NetGenesis.

There are also other technical issues to consider beyond the choice of technology to enable personalization. One of the most important is the fact that many sites store data in multiple locations, making the accurate analysis that drives well-targeted personalization more difficult. A solid data integration plan helps avoid these problems when you start to implement sophisticated personalization systems.

Make It Easy

“Ease of use creates the killer app that makes people want to use your site rather than a competitor’s,” says Martha Rogers of Peppers and Rogers Group. Make it easy for users to personalize your site and then make it hard for them to go to a competitor’s site because yours offers them so much value.

According to Rogers, “customers stay with companies that know them. The question customers ask themselves is how much less would a competitor have to charge to make them want to change.” If customers are happy with your site because it remembers who they are and what they like as well as delivers content based on their specialized interests, the answer is going to be “a lot less.”

Teresa McKinney, VP of Marketing for LikeMinds (developer of the LikeMinds personalization solution), agrees that usability is a vital component of a personalization strategy. “The technology should be fairly invisible to the end-user and become smarter as the customer interacts with the site over time. The more a customer gets out of their personalized experience on a given site, the more likely they are to return to that site again.”

Set a Privacy Policy

Privacy is important to all users, particularly those visiting consumer sites. A well-crafted, prominently positioned privacy policy on your site will increase users’ comfort level with providing the information you need for personalization. According to the Personalization Consortium’s survey, 58 percent of respondents indicated that a privacy policy displayed on a site would be necessary before they would share personal information. In other words, most users like the convenience that personalization affords as long as they are confident that you won’t sell this information or use it to bombard them with excessive email messages.

There is another aspect to protecting users’ privacy and that is ensuring the security of user-provided information from involuntary misuse. Headlines abound about e-commerce sites whose customers’ personal and credit card information has been compromised by a hacker. With this in mind, be sure to integrate any personalization strategy with a solid IT security strategy as well.

The Future of Personalization

In many ways, the future of personalization focuses more on mindset than on purely technical issues. According to Teresa McKinney, “Web personalization will fully succeed only when it is used in concert with a holistic sales approach, an approach to e-commerce that moves beyond the current e-commerce viewpoint that every click that isn’t a purchase is a failure. With good personalization, every click is further insight into your customer’s wants and needs.”